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West Debates Significance Of Moscow's Deployments

Reinforcing of Flanks In the North and South Exceeds Planned Limits

By Michael R. Gordon

WASHINGTON — The Russian military has repositioned forces along its northern and southern flanks as they return from Central Europe, raising concern among NATO and U.S. officials who say the redeployment exceeds limits scheduled to take effect next year under a treaty reducing conventional weapons in Europe.

The deployments, and Moscow's effort to renegotiate the treaty to accommodate them, are emerging as a major irritant in the Pentagon's efforts to forge closer relations with the Russian military.

Along with the Ames espionage case, Russia's increasingly assertive foreign policy and its mixed signals on cooperation with NATO, the deployment is helping to stimulate a wide debate over whether Moscow is a partner that Washington can work with or a rival determined to use its military power to intimidate its neighbors.

Defense Secretary William J. Perry said Sunday that the United States would not consider revising the treaty, Agence France-Press reported from Washington.

"I have talked with the leaders of those countries" next to Russia, he said on NBC television. "They seem very uninterested and unwilling to make that change."

Administration officials say Russia's moves reflect its military's unhappiness with the arms control limits negotiated by the Soviet Foreign Ministry during the Gorbachev era and determination to maintain a strong presence in the volatile Caucasus region.

Some Western experts say the concerns cited by the Russian military are legitimate, given the ethnic fighting in Russia's own southern territory, recent civil wars in Georgia and the five-year-old conflict between Armenia and Azerbaijan.

Others argue that relaxing the limits would give Russia too much flexibility in projecting power that threatens the "near abroad," as the adjacent former Soviet republics are known.

Russia's moves are also a major worry for Turkey and the Scandinavian countries, which do not want to see an expansion of Moscow's military power in their regions.

Other Western specialists argue that accommodating Russia on the limit on conventional forces in Europe would invite other countries to seek changes in the treaty after years of painful negotiations.

Under the treaty, there is still time for the Russians to reverse the buildup before a limit on the forces on its flanks formally takes effect in November 1995.

But so far, Russia's generals have insisted that instability in the Caucasus makes the limit unreasonable. The Russian Defense Ministry has repeatedly proposed revisions of the treaty, which covers conventional arms from the Atlantic to the Urals, to let the Russian military move weapons.

When Defense Secretary William J. Perry recently visited Moscow, General Mikhail Kolesnikov, the head of the Russian general staff, proposed a "clarification" of the treaty that would have the effect of raising the number of

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URBI ET ORBI — Pope John Paul II giving his Easter blessing from St. Peter's Basilica in the Vatican to the city of Rome and to the world. In it he appealed to world leaders to promote family life, which he said faces threats to "the very roots of its existence."

Russian Crime Gangs Take On the West

By Steve Coll

Washington Post Service

LONDON — Russian organized crime groups, strengthened by social chaos at home and lured by opening borders in Europe, have acquired enough independent financial clout to cause serious problems in Western Europe and the United States, according to senior law enforcement officials.

Complex criminal cases in London, New York, Germany and elsewhere, as well as ongoing investigations, indicate that these groups are moving rapidly from racketeering at home to criminal activity in the West, lucrative enough to be self-supporting, the officials said.

The most serious activities include trafficking in cocaine and heroin and in unlicensed weapons, financial fraud, large-scale car theft, and the laundering of illicit profits

through Western banking and offshore centers, they said.

"It's a condition that's not only deplorable, but from our point of view, directly threatening," said Louis Frech, director of the Federal Bureau of Investigation, in a telephone interview. "We have emerging, particularly in Russia, an incredibly well-organized and powerful and well-assisted organized crime problem. It's one of growing proportions. It's now got the ability to finance its own operations."

"There is a difficulty and a threat that confronts the whole of Europe," said David Veness, London's assistant police commissioner for special operations. "The word that I would use to describe the changing threat is 'mobility.'"

Organized crime task forces across Western and Eastern Europe are finding, Mr.

Veness added, that "unless you're vigilant about Russian organized crime groups, the speed and extent of the problem will overtake you."

One of the greatest concerns is emerging evidence of the substantial amounts of cash available to these Russian crime groups, particularly in Western banking centers.

For example, court proceedings in London disclosed last week that two Russians from the crime-ridden enclave of Chechnya, who were murdered and dismembered in a luxury flat by two Armenians last year, left personal estates worth more than \$2 million, as well as a number of swank British properties, according to Detective Superintendent Kenneth Woodward, in charge of the case.

In a statement to the police before he

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Pentagon Sees Risks In U.S. Korea Policy

For the Chinese, Arms Scenario Is a Nightmare

Nuclear Program Must Be Stopped Despite Danger

By Patrick E. Tyler

New York Times Service

BEIJING — North Korea's nuclear program is such a nightmare for China that senior military figures here tell foreign visitors there is no reason, other than the guesswork by American intelligence, to believe that such a thing exists. "They really don't like this issue," said a Western specialist.

It is a nightmare for two reasons: first, China does not want North Korea to become a nuclear power, especially if this pushes Japan and South Korea to pursue their own nuclear options.

Second, China fears the consequences of an aggressive campaign to force North Korea to live up to its commitments under the Nuclear Nonproliferation Treaty.

"We in the West focus on the nuclear issue," a Western analyst said. "But the Chinese, because they are residents in the neighborhood,

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are not only genuinely concerned that North Korea not acquire a nuclear weapons capability, but they are also extremely interested in avoiding a breakdown in the regime or in provoking the regime to the point that it lashes out militarily."

Risking a conventional war is a much graver concern to China's leadership than a bomb or two in North Korea's basement, because war directly threatens China's economic and political stability, Chinese and Western analysts say.

This cautious policy explains the compromise that Chinese diplomats sought at the United Nations last week to soften international indignation over North Korea's refusal to grant full access to UN inspectors.

The compromise supplanted a strongly worded Security Council resolution offered by the United States with a milder statement calling on North Korea to reopen nuclear installations to inspection.

With the compromise, Beijing and Washington demonstrated that their overarching interests are the same. They also demonstrated that they need to cooperate on Asian security as another reason for them to resolve their dispute over China's poor human rights record.

The compromise, however, could be very short-lived if North Korea again obstructs the nuclear inspectors. Thus the contradiction between China's desire to keep the Korean Peninsula free of nuclear weapons and its unwillingness to confront its longtime ally will continue to frustrate China's friends and irritate its critics.

The government spokesman, Wu Jianmin, reiterated the policy toward North Korea: "We believe dialogue is the only correct way. We hope to see peace and stability because the maintenance of peace and stability is the precondition for these countries to develop their economies and to improve the livelihood of their people."

In effect, Mr. Wu was articulating China's national security strategy, which is to remove all foreign-policy impediments to its rush for domestic economic development.

It is not that China lacks common cause with Japan and South Korea over North Korea's

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International Herald Tribune

WASHINGTON — Defense Secretary William J. Perry said Sunday there was a risk that U.S. actions could provoke North Korea into starting a catastrophic war, but he said the cost of American inaction could be immense because the North Koreans might soon be capable of producing up to a dozen nuclear arms a year.

Although he emphasized the volatility of a situation where the United States was attempting to curb North Korea's nuclear ambitions, Mr. Perry was quick to state: "We're not on the brink of war. This is not an imminent crisis and I don't believe war is going to result from it."

Mr. Perry said that despite U.S. and United Nations efforts, first to inspect and then to stem the North Korean nuclear program, Pyongyang was plunging ahead to enlarge its weapons-making capacity. He confirmed a Washington Post report that North Korea had nearly doubled its capacity to produce plutonium for nuclear arms and was proceeding with related reactor programs as it fended off full scrutiny of its nuclear installations.

The defense secretary said the United States had rejected either acquiescence in North Korea's nuclear aims or a preemptive military strike to stop them.

That takes us to the third alternative, which is the one we are pursuing, and that is imaginative and aggressive diplomatic actions as long as there's any hope for those actions," Mr. Perry said on an NBC public affairs program. "We don't have to have results this week or next week. The problems we're concerned about will take a year or two to unfold, so we can be firm, but we can be patient, too."

"Now, if we run out of hope on those diplomatic actions, if there's no hope for them, then we'd have to start putting pressure, and that gets us into a higher risk area, and as we get into that higher risk area, we have to be prepared to defend ourselves. We have to take prudent, defensive measures."

He continued: "We do not want and will not provoke a war over this or any other issue in Korea, but we will take a very firm stand and very strong actions. It's conceivable that those actions might provoke the North Koreans into unleashing a war, and that is a risk that we're taking."

"We compare that with the risk of letting them develop the bomb and look at the various problems that could cause us not only on the Korean Peninsula, but the possibility of their proliferating this bomb to the Mideast, where they're now selling their missiles, this is a matter of very, very great concern to us."

Mr. Perry said the United States would not initiate a war and that he believed that North Korea, "looking at the catastrophe that would occur to their country if they initiated a war, is not going to either."

He spelled out U.S. aims within a timetable that allowed the North Koreans some flexibility. What the United States wants "first is to freeze this nuclear program," he said. "It doesn't have to be today or this week, but freeze it soon; we're talking about months, not years from now. And the second is roll it back. To the extent they actually have one or two nuclear bombs now, we want those to be removed. That's a very clear objective. It's going to be

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Mass Evacuation Cleared For Muslims and Croats

Compiled by Our Staff From Dispatches

ZAGREB, Croatia — Bosnian Serbs on Sunday gave Red Cross officials a guarantee of safe passage for thousands of Muslims and Croats who will be evacuated from northwestern Bosnia to save them from nationalist Serbs bent on wiping them out.

But at the same time, the Serbs continued their military campaign elsewhere. In the eastern Muslim enclave of Gorazde, residents crowded in shelters under heavy Serbian bombardment, the Bosnian radio reported. The town has been under a Serbian siege for more than a year.

In Washington, Secretary of Defense William J. Perry said the United States would not intervene through NATO to stop the shelling, as it did in Sarajevo.

Asked if the United States was willing to let towns fall to the Serbs, Mr. Perry said: "We will not enter the war to stop that from happening. That is correct, yes."

Radovan Karadzic, leader of the Bosnian Serbs, pledged in a letter that the International Committee of the Red Cross would be allowed unhindered access to evacuate minorities from Prijedor, a Red Cross spokesman said.

The decision to evacuate is contrary to a policy of both the Red Cross and the UN High Commissioner for Refugees that calls for avoiding mass evacuations of minority groups because, in effect, that would be helping the Serbs drive out other ethnic groups and populate the area with their own people.

"We are not in the business of assisting ethnic cleansing, but the question is one of life and death for these people," said Vanya Kew-

ley, spokeswoman in Sarajevo for the International Committee of the Red Cross.

In Zagreb, Robyn Thompson, a Red Cross spokeswoman, said a letter had been received from Mr. Karadzic "which guarantees we will have safe passage both for the Red Cross and for crossing the frontiers with the civilians we will transport from Prijedor."

Details and timing still had to be worked out, she said.

"We are talking about getting a large number of victims out of the area," she said, adding that Red Cross officials would meet Mr. Karadzic on Monday in Pale to confirm his pledge and work out details.

Red Cross workers were in Banja Luka, east of Prijedor, on Sunday to prepare for the evacuation, which would take several days to complete, she said.

On Sunday, Mr. Karadzic also ordered the arrest of those responsible for what he called the "events" in Prijedor, the Bosnian Serbian press agency reported. This amounted to Mr. Karadzic's first implicit admission of Serbian involvement.

In Washington, Mr. Perry said the United States would not send any more air power into Bosnia despite new attacks by Bosnian Serbs on several Muslim strongholds.

"We're not looking at extensions of the use of that air power today, but you could conceive of another situation like Sarajevo arising where we might consider it," he said, referring to the bombing of a Sarajevo market in March which prompted NATO air strikes.

He also said that the United States would send ground troops only to enforce a peace agreement, although the British commander in Serbia, Sir Michael Rose, said that the presence of American troops would accelerate moves toward peace. Lieutenant General Rose appeared on the same television program.

"We are prepared to send a substantial number of troops to sustain a peace agreement once a peace agreement is reached," Mr. Perry said. But he said that the United States would remain a minority of the NATO forces on the ground

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PITCHING — Chan Ho Park of South Korea is on the Los Angeles Dodgers' roster as the major league baseball season opens. Previews, Pages 14 and 15.

Few Bother to Vote In St. Petersburg Poll

MOSCOW (Reuters) — Russians stayed home again in droves during council elections in St. Petersburg on Sunday, and this could leave the city without a viable government.

Inter-Tass news agency said turnout by midday showed 5.3 percent of residents had voted in a second round. Just 25.1 percent of voters took part in the first round two weeks ago.

Arkansas and Duke in Final

Arkansas and Duke will play for U.S. college basketball's championship Monday night, the Razorbacks having pressed Arizona into submission, 91-87, while Duke came from 13 points back to beat Florida, 70-65, in the semifinals. Page 15.

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Asians Rally Against Wage-Trade Link

By Michael Richardson

International Herald Tribune

SINGAPORE — Southeast Asian nations have agreed to work as a group to oppose attempts by the United States and European countries to include a "social clause" linking trade and labor standards in future international trading rules.

The issue looms as a major bone of contention when ministers from about 120 countries meet next week in Marrakesh, Morocco, to formally conclude the Uruguay Round global trade pact.

Analysts said Sunday that the decision by members of the Association of South East Asian Nations to act as a bloc on the issue despite major disparities among them in their levels of wages and working conditions reflected deep suspicions by virtually all developing countries in Asia about the West's motives in pressing for such a link.

Southeast Asian nations have made extensive

export gains in Western markets in recent years.

The ASEAN countries are concerned that Western states will use any social clause as a device to force developing nations either to raise their labor costs to agreed minimum levels or face special tariffs on their goods to compensate for the fact that they are produced with much lower wages.

ASEAN comprises Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

President Suharto of Indonesia said last week that industrialized nations were pushing developing countries on such issues as raising the minimum wage because they faced internal economic problems and declining competitiveness.

Mr. Suharto's comment takes on added weight because he is also chairman of the Non-Aligned Movement, which has 110 members, mainly from the developing world.

The Malaysian prime minister, Mahathir bin

Mohamad, said that Western nations were trying to weaken developing nations by imposing minimum wages.

Such a measure could lead to rising unemployment and discontent in Asia, he said, because it would remove one of the region's major competitive advantages — lower labor costs — and force factories to close.

U.S. and French officials have agreed that the World Trade Organization should enforce a connection between trade and labor conditions. The organization will replace the General Agreement on Tariffs and Trade as a more powerful watchdog over the global trading system from 1995.

France wants the body to apply standards that will prevent countries from exploiting children, prisoners and bonded workers as a means of gaining trade advantages.

The United States wants to set a broader

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White House, Year 2: A Loose-Ends Shop

By Ann Devroy

Washington Post Service

WASHINGTON — The White House chief of staff, Thomas F. (Mac) McLarty, was defending the Clinton White House once again last week, saying that its sometimes "uneven" performance was "not unusual in the first year."

But this is Year Two. And there is little to suggest that the wild ride the country took with Bill and Hillary Rodham Clinton in 1993 was a function of first year settling-in. It appears to be a way of life.

Despite endless efforts to tighten the reins and even out the ride, the Clinton White House continues its breathtaking lurches. It remains a place constantly reinventing itself with new people learning their jobs and three sets of hands at the helm: the president's, the first lady's and sometimes the vice president's.

The lines of authority resemble a plate of spaghetti: Everyone seems to be in charge of everyone so that no one is held accountable, there is little hierarchy, and there are loops of influence and access that collide, coincide or

work in blissful ignorance of one another until some fiasco looms.

Interviews with several administration officials, direct observation, and discussions with outside advisers suggest that it is not that the Clintons like chaos, but that they are unwilling to give up central control because political scientists say that is how the White House should operate. They also are reluctant to be

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lieve that the friends they brought to the White House from Arkansas and elsewhere are not always up to the jobs they hold.

All evidence suggests that until its final days, this administration will be a public roller coaster ride.

The tedious business of government — what one aide calls the "back office" of the White House, as compared to the policy initiatives that occupy the front office — is often ignored. There is no serious disciplinarian. One official said so many people attend meetings of Mr. Clinton's top people that the sessions "could be held in Yankee Stadium."

With two deputy chiefs of staff and three senior aides without portfolios, plus a dozen others with access to the Oval Office and a string of outsiders with full entry, it is difficult to know, even among the staff, who's in charge of what.

Staff turnover has been huge. A sometimes self-defeating compulsion toward privacy, particularly by Mrs. Clinton, endures: This has been true in the case of Whitewater and a number of other questions relating to the Clintons' financial dealings before Mr. Clinton became president. A web of Byzantine personal and political relations and numerous loops of information and influence all but ensure that collisions await around some, if not many, corners.

Mrs. Clinton is widely seen in the White House as the major force of resistance to the broad release of information she considers private, even when disclosure would tend to resolve or mitigate doubts. And running afoul of the first lady on issues of secrecy, policy and personnel is considered a ruinous career move.

In the Clinton White House, there are Hillary

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Newsstand Prices

Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameron.....1.400 CFA	Qatar.....8.00 RfL
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France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....300 Dr.	Spain.....200 PTAS
Ivory Coast.....1.120 CFA	Tunisia.....1,000 Din
Jordan.....1 JD	Turkey.....T.L. 15,000
Lebanon.....US\$ 1.50	U.A.E.....8.50 Dirh
	U.S. Mil. (Eur.) \$1.10

Leader of Hamburg Greens Rehearses a National Show

By Brandon Mitchener

HAMBURG — Krista Sager has a knack for theatrics.

In 1991, when Hamburg's parliament tried to give itself a raise, she and a colleague from the Greens party showered fake 1,000-Deutsche mark bills from a spectators' gallery in front of rolling cameras just as deputies raised their hands to vote. The action made national television, and the city government, ashamed, stayed the raise even after it passed the parliament.

Locals know the soft-talking, hard-bargaining career politician, head of the Hamburg Greens, as "the one with the hike" because of another stunt of hers.

It involved a campaign to get an official city bicycle instead of the chauffeured limousine to which she is entitled by rank. When the city refused on the grounds that she could not work on a bike, she arranged to be photographed, working, on the back seat of a tandem rigged with a cellular phone and a desk.

"The whole country laughed," says Ms. Sager, who is still trying to get a city bike. Far from dismissing her as a clown, voters last September rewarded the Greens with 13.5 percent of the Hamburg vote, their best result in this Hanseatic city-state of 1.6 million. The Greens also made big gains March 20 in state elections in Schleswig-Holstein, where Ms. Sager helped campaign.

If her luck holds out, she could well become the first Greens politician to win a direct mandate to the lower house of the German parliament, the Bundestag, in federal elections this October.

A strong Greens role in federal government remains a scary prospect for many in politics and business, but the fear is probably exaggerated. The Greens are considered likely to remain in the political opposition even if they make large gains on a national level. In Germany's biggest cities, meanwhile, pragmatic mainstream Greens like Ms. Sager inspire few fears.

Editors at the local Hamburger Abendblatt find her "sober, clear, and competent," for example. Even members of the Christian Democrats, who lead the local opposition, pay her grudging respect. One former representative, who has since left Hamburg politics, said she couples "credibility with charisma."

Ole von Beust, the current head of the Christian Democratic Union in the Hamburg parliament, said she has won the respect of the local business community by arguing in its own language. She recently told a perennially loss-making steel company, Hamburger Stahlwerke, that it would have to shut if it failed to survive without subsidies, despite the cost in unemployment.

"She's incredibly sweet, but knows what

she wants — and how to get it," said Mr. von Beust, noting that Ms. Sager has led the Greens for almost four years despite the party's traditional inclination to rotate its top post.

Although her career is just blossoming at age 41, Ms. Sager is an old hand at political activism.

She belonged to a Maoist student group in high school and was arrested at age 15 while trying to tear down a poster for a rightist party in Bremen, where she grew up. (Among

Up and Coming
An occasional series about the leaders of tomorrow.

her childhood idols, "for lack of women heroes in those days," was the untamed character played by Marlon Brando in the 1954 movie "The Wild One." "There was something lonely and sad about him," she says. "Young people love that.")

She later became active in the anti-nuclear movement and marched in protests against the Vietnam War.

Ms. Sager joined the Greens in 1982 in Hamburg, where she studied German and history and planned to become a teacher to please her father, a German painter, and her mother, a Dane. Her academic concentrations of choice would have been political science and psychology.

One reason she decided to run for the city-state legislature for the Greens was her rage at the decision of the Social Democrats to replace a woman on the ballot with an older man, who, she said, had "the charisma of an old slipper."

If she could rule Germany by decree for a day, her first task would still be to outlaw atomic power plants, but Ms. Sager otherwise considers herself a "Realist," or realist, not a "Fundist," a fundamentalist. "I think with power the Greens start to be a little more pragmatic," she says.

Indeed, when given the chance to choose governmental responsibilities for the Greens in June 1991, Ms. Sager passed up a chance to take charge of foreigners, women's or children's issues to tackle the city budget as head of the economics committee. If elected to the Bundestag, she would again choose financial and economic affairs over the environment, she asserts. "I don't know enough about it," she says, smiling.

A large part of Krista Sager's attraction is that she resists being stereotyped. Her taste in music, for example, is as variable as her politics: Joe Cocker, Bruce Springsteen, Mozart.

She rides an old, six-gear bike to work as a

practical means of transportation, not an ideological statement. "I don't do it to sweat," she insists. She also owns a car, taboo for many Greens, but cleared her conscience by having a catalytic converter installed in her old-fashioned Volkswagen Derby.

Her home and office are devoid of plants, she explains, because "every life needs care and I wouldn't have enough time to care for them properly." She and her companion, a sociologist, are constantly on the go. Ms. Sager tends to spend her sporadic vacations at her mother's home in Denmark, where she spent four years as a child.

A once-divorced former Protestant, she says the worst thing that can happen to people is to "lose their soul," but she left the church and does not hold much store in organized religion.

The virtues she treasures most, she says, are honesty, generosity and humor. In that order, and the virtues she is most likely to forgive, both pillars of the German national character, are disorderliness and unpunctuality. Her own greatest vice, she adds, is impatience.

In the geopolitical arena, Ms. Sager differs with many Greens who oppose the use of military force for any reason.

Being half-Danish makes her look at many things differently, she says. "I can see things from the perspective of a small country." She feels it was valid to ask whether the West was making a moral mistake by not siding with Bosnia, a small state in need.

She opposes the construction of a magnetic levitation train from Hamburg to Berlin not because the technology is untested, but because she thinks it is too expensive. And even if the government is building the train as an example of Germany's technical prowess, "Why not spend billions on renewable energy, instead?" she asks.

Like the heroines in the fantasy novels she likes to read, Ms. Sager sees herself as a mediator between rivals in society and within the Greens party itself.

"I think the Greens are the only small party in Germany that has a chance of breaking out of its niche," she says. "A lot of people still consider us eco-freaks and leftist fundamentalists, and it's important that we overcome these prejudices on a local level. That's where personalities come in."

Especially for a Greens politician, it is important to know how to make the best of a silly situation. Ms. Sager was recently photographed at a party convention standing between two other top Greens, one of whom made rabbit ears behind her head just as the party was trying to emphasize how responsible it was.

Far from being angry at the prank, Ms. Sager gave it a spin. "Actually, it looks like the sign for victory," she said.



Krista Sager in Hamburg: Going all out for an official bicycle.

WORLD BRIEFS

Khmer Rouge Holds U.S. Relief Aide

BANGKOK (AP) — Khmer Rouge guerrillas were holding a young American woman and several Cambodians for ransom Sunday along Cambodia's southern coast, a U.S. Embassy spokesman in Phnom Penh said.

The spokesman said Melissa Heinz and probably three Cambodians were being held near Kampot, and the Khmer Rouge was asking for wells to be dug for the group before it would release the hostages. Ms. Heinz was working for Food for the Hungry International, a private organization based in Bangkok, the spokesman said.

Unconfirmed reports said she and Cambodian staffers were seized after they went to Kampot, about 120 kilometers (75 miles) southwest of Phnom Penh, to negotiate the release of a Food for the Hungry vehicle allegedly stolen by the Khmer Rouge. Although wells are scarce and badly needed, kidnappers in Cambodia normally have asked for money rather than assistance of this kind.

Algeria Warns Neighbors on Islam

TUNIS (Reuters) — Algeria's president, faced with an accelerating armed insurrection by Muslim militants, told his North African neighbors Sunday that they were all being threatened by Islamic fundamentalism.

"Certain foreign forces are trying to take advantage of this situation to strike at the unity and stability of our country while hiding behind our religion and our most sacred values," President Liamine Zouerat said at the end of an Arab Maghreb Union summit meeting of Algeria, Libya, Mauritania, Morocco and Tunisia.

Diplomats in the region say that other members of the Maghreb union fear that unrest in Algeria, the only member that borders all the others, may spread and undermine their societies.

East German Neo-Nazis Battle Police

BONN (AP) — Neo-Nazis battled with the police twice in Eastern Germany, leaving one officer with a broken skull and five others with lesser injuries, officials said Sunday.

The violence occurred Friday night and Saturday night in Brandenburg state. Four neo-Nazis were arrested after they attacked police officers who stopped them during a road check Friday night near the community of Raihenow.

Trouble erupted again about 24 hours later at a discotheque in Oranienburg, just north of Berlin, when a group of neo-Nazis broke windows of the establishment and harassed youths trying to enter. When the police showed up, about 30 more neo-Nazis rushed out of the disco and started fights with them.

TRAVEL UPDATE

Truce Set in Europe-Cairo Price War

CAIRO (Reuters) — Seven West European airlines have called a truce in a price war for customers flying to Europe from Cairo. The agreement says the airlines have undertaken not to offer discounts on most fares for two years starting April 1. The carriers are Air France, Alitalia, Austrian Airlines, British Airways, KLM, Lufthansa and Swissair.

The accord says the airlines hope that EgyptAir, the Egyptian national carrier, will also sign. As soon as that happens, Air France and British Airways will abandon some residual reduced fares to Paris and London. Any of the seven airlines can back out of the agreement by giving the others written notice.

Fierce winds eased in coastal Spain after Easter weekend storms and raging seas claimed at five lives and left seven people missing, authorities said. Thousands of drivers returning home after the Easter break were warned to take extra care due to the strong winds.

Taxi drivers in Athens decided to go on strike — following the example of doctors and lawyers — to protest plans to impose stiffer taxes. Some 15,000 drivers will stop work on Monday and Tuesday to protest a government proposal to introduce a minimum tax on their takings and to subject their tax returns to checks based on "objective criteria." (AFP)

The bells in the Leaning Tower of Pisa rang out on Sunday for the first time in two years. The nine-minute Easter peal broke a silence ordered for fear that the vibrations would worsen the tower's tilt. Scientists said last month that counterweights placed at the base had started to reverse the tilt.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Andorra, Australia, Austria, Bahamas, Barbados, Belgium, Belize, Brazil, Botswana, Britain, Burkina Faso, Central African Republic, Chad, Croatia, Czech Republic, Denmark, Finland, France, Gabon, Germany, Ghana, Gibraltar, Guinea, Guyana, Hong Kong, Hungary, Iceland, Ireland, Italy, Ivory Coast, Jamaica, Kenya, Lesotho, Liechtenstein, Luxembourg, Macao, Madagascar, Mali, Monaco, Namibia, Netherlands, New Zealand, Niger, Nigeria, Norway, Poland, Rwanda, Senegal, Sierra Leone, Slovakia, Slovenia, South Africa, Spain, Suriname, Swaziland, Sweden, Switzerland, Tahiti, Taiwan, Tanzania, Togo, Uganda, Vatican City, Zimbabwe.

TUESDAY: Hong Kong, Korea, Macao, Taiwan, Vatican City.

WEDNESDAY: Ethiopia, South Africa, Thailand.

FRIDAY: Liberia. Sources: J.P. Morgan, Reuters.

France Bumps Vets To House D-Day VIPs

LONDON — More than 100 Canadian and British veterans of the D-day landings have lost the hotel rooms they booked to celebrate their part in liberating France from the Nazis.

The Hôtel du Golf de Deauville, France, has canceled the veterans' reservations on orders of the French government to make way for VIPs participating in the 50th anniversary commemorations this June, the British Defense Ministry has confirmed.

The French government has offered the former paratroopers financial compensation and sought to secure accommodation for them in local homes, a ministry spokesman said.

English and Canadian organizers of the French reunion are livid. Angus Cross said he booked places 15 months ago for more than 100 of his Canadian comrades who, like him, served in the 6th British Airborne Division during the D-day assault.

"The French hotels were being bloody-minded and asking for a hefty deposit, so we paid them," said Mr. Cross, 69, of Folkestone, England. "Now some bloody jumped-up French official is saying they need the space. I'm extremely annoyed."

"These changes are coming over from Canada," he added. "They've been saving up for years. How the devil can we go to all the ceremonies together when we are all over the town?"

Tom Jackson, a veteran of the 1st Canadian Parachute Battalion, told The Daily Mail newspaper he was "devastated."

"We spent three months living in French ditches after we'd landed on D-day, and now they're throwing us straight back into the ditch," Mr. Jackson, a resident of Brampton, Ontario, was quoted as saying.

The management at the Hôtel du Golf and the nearby Hôtel Royal said that they were ordered last month by the French government to clear hundreds of rooms for visiting heads of state and their staffs.

The 50th anniversary of the World War II invasions has sparked high demand for hotel rooms in Normandy, where the allies stormed ashore on five beachheads on June 6, 1944.

A 4-Nation Poll Finds Deep Distrust Of Russia, but Other Views Diverge

By Steven Greenhouse

NEW YORK — Showing widely divergent views of the world, people in the United States and Britain say the Middle East poses the biggest threat to world peace, while Germans believe the former Soviet bloc nations pose the major threat and Japanese are split over whether the United States or Russia is the biggest menace to peace.

In Japan, one of the four countries surveyed in the first half of March, 21 percent of the respondents said Russia "posed the biggest threat to world peace," while 22 percent cited the United States as the major threat — evidently a reaction to America's military might and to what the Japanese see as bullying by Washington.

More than 1,000 people were surveyed in each of the four countries — the United States, Japan, Germany and Britain. All four nations showed a deep distrust of Moscow, despite Russia's moves away from communism and its overtures toward the West.

The four-nation poll involved The New York Times, The Guardian in Britain, Der Spiegel in Germany and Asahi Shimbun in Japan. Each news organization conducted the poll in its home country, using identical questions. Each organization analyzed the results.

Sixty-four percent of Americans said that they felt "not much" trust of Russia or that they trusted it "not at all," while 77 percent of Germans and 80 percent of Japanese said they distrusted Russia. Polls of such size have a margin of sampling error of plus or minus 3 percentage points.

Although Russia was one of the world's two superpowers for four decades, not more than a tenth of people polled in any of the four countries said Russia was the strongest candidate to join the United States as world leader over the next few decades.

Americans were evenly divided about whether Japan, China or Western Europe was the strongest candidate to join the United States for world leadership.

Teen's Role Seen in Russia Air Crash

Los Angeles Times Service

MOSCOW — A teenager reportedly allowed to play pilot in the cockpit may have caused the crash of a Russian-leased Airbus that killed 75 people, Moscow media reported.

The Russian commission investigating the crash in Siberia has yet to announce its official findings, but it did say Saturday that tapes from the plane's "black box" recorder showed that guests were visiting the cockpit before the Airbus A-310 went down last month. Four Moscow newspapers reported that "children's voices" were heard on the cockpit tapes.

The commission's specialists are still working on identifying the voices, a spokesman told the Interfax news agency. But Russian media were already full of accounts of how the pilot's son may have accidentally sent the Airbus into a nosedive by hitting a switch that turned off the autopilot.

The Airbus, made by a consortium based in France, appears to have been mechanically sound.

According to the English-language Moscow Times, which carried the most complete account of the crash, the flight from Moscow to Hong Kong on March 22 had been underbooked, so about 30 airline employees and family members came along for a free trip.

Among them was the 15-year-old son of Captain Yaroslav Kn-

drizny, the Moscow Times said, which quoted Aeroflot and Transportation Ministry officials, who asked to remain anonymous. The plane flew under the aegis of Russian International Airlines, the international branch of Aeroflot.

"Cockpit voice recorder readings indicated that the youth inadvertently knocked off the autopilot and fell against the control column as his father and other crew members stood behind him," the Moscow Times said.

When the plane then plunged into a nosedive from its cruising altitude of 33,000 feet, the adults were apparently thrown off their feet, unable to reach the controls immediately.

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THE AMERICAS / SUSPICIONS OF A LEAK

★ POLITICAL NOTES ★

Reagan Update: Keeping Time for Himself

WASHINGTON — Word has been going around among old friends of the Reagans that the former president and first lady are doing fine out in California.

She still likes her social life. He still likes his ranch. They trade off and things work out pretty well, their friends say, before adding, and, oh yes, he's learning to play the harmonica.

Everyone is kind of bemused, and entranced, with the idea that this is what Ronald Reagan does when he leaves the presidency, "reflected" James M. Cannon, the veteran Republican who once worked in the Reagan White House. "It's so typical of the man. Jimmy Carter builds houses with the Habitat for Humanity, or whatever the hell it was. And Ronald Reagan learns to play the harmonica."

In an era when politics has become overloaded with psychobabble about meaningful exchanges and shared pain, the image of the 83-year-old former chief executive and movie cowpoke sitting in Bel Air playing "Gill Along Little Doggie" and "Streets of Laredo," seemed just right, somehow.

When a reporter called Mr. Reagan's Los Angeles office to check on the musical rumors, the former president replied with a humorous, hand-written note sent by fax. "Is this an April Fool's spoof?" he wrote in part. "Unfortunately, I'm not taking music lessons and probably should be. I've always liked the harmonica, but can barely play a tune. My repertoire is limited to 'Red River Valley' and I play for my own self amusement exclusively—usually when I don't have my hearing aids in."

The presidents who could play the harmonica, with varying degrees of skill, were Lincoln, Teddy Roosevelt, Coolidge and Eisenhower. (NYT)

Hillary Clinton Defies the Odds Again

NEW YORK — After falling last month, the approval rating of Hillary Rodham Clinton has increased to 43 percent, despite negative publicity about her lucrative commodities investments 16 years ago, according to a Newsweek poll.

But 32 percent of 753 adults polled also said Mrs. Clinton took advantage of improper or unethical deals in her commodities investments in 1978 and 1979, when she turned \$10,000 into about \$100,000. Thirty-seven percent said she was merely lucky and wise; 31 percent said they did not know or would not answer.

Forty-three percent of those polled said they had a favorable opinion of the first lady, the magazine said in its April 11 edition. Thirty-six percent said they had an unfavorable opinion and 21 percent said they had no opinion.

Forty-six percent also said Mrs. Clinton's public role in the Clinton administration was larger than it should be, 31 percent said it was just right and 11 percent said it was not enough.

A March 11 Newsweek poll found that 35 percent had a favorable opinion of Mrs. Clinton and 42 percent had an unfavorable view. In February, her favorable rating was 50 percent. (AP)

Quote/Unquote

The mother of Representative Jill Long, Democrat of Indiana, "Jill, if the Clinton health plan gets through, will I be able to choose my own doctor?" (NYT)

Away From Politics

Contradicting a widespread perception that New York City violence is worse than ever, the Police Department released its official 1993 crime statistics, which show that reported incidents of violent crime decreased modestly for the third year in a row. The 4 percent overall decline in seven major crime categories roughly follows the national trend, in which crime rose steadily through the 1980s, peaking around 1990.

Requests for earthquake assistance in Southern California, already at an all-time high for a U.S. disaster, are soon expected to top 500,000, as applications keep pouring in. So far, government agencies have received 497,626 such requests, and approved more than \$1.4 billion in aid to businesses and individuals. Victims of the Jan. 17 quake have received checks for everything from emergency housing to replacing lost dentures.

An analysis of fish stocks prepared for a joint U.S.-Canadian scientific panel has declared that "fish resources in Puget Sound have seriously declined and harvests are at their lowest level in over 55 years."

The Biosphere 2 project north of Tucson, Arizona, has been seized by off-duty federal marshals acting on behalf of the Texas billionaire Edward P. Bass, ousting the managers who conceived and constructed the \$150 million, state-of-the-art surrogate planet. "This is not an April Fool's joke," said Chris Helms, a Biosphere spokesman. "It is a management dispute." (NYT, LAT)

AMERICAN TOPICS

Risk of Carjacking Same as Crash Death

Carjackings — random, unpredictable and usually involving guns — have increased in the past few years until they are as common as fatal car accidents, according to the U.S. Justice Department.

From 1987 to 1992, an estimated 177,500 carjackings or attempted carjackings occurred. The annual risk of being victimized by a carjacking is about 1 in 5,000, the same as being killed in a vehicle accident. By comparison, about five of 5,000 people are victims of rape each year and 25 of every 5,000 die of heart disease.

Although most carjackings do not end in injury or the death of the victims, "in terms of people feeling vulnerable, this is precisely the kind of crime that would heighten those feelings," said Daniel Rosenblatt, executive director of the International Association of Chiefs of Police. "It is random, virtually impossible-to-predict crime that is extremely personal with a great potential for harm."

Carjacking is "part of a trend of more violence in relation to crime," said Bob Scully, executive director of the National Association of Police Organizations. "Years ago, the person would be happy just to get the car and would want to avoid confrontation. Now violence seems to accompany crime more."

Short Takes

People with heart disease more than double the risk of a heart attack when they get angry, Harvard Medical School researchers, unsurprisingly report, and the danger lasts two hours after their anger has subsided.

A computer specialist who suffered a heart attack at his remote desk tapped out an e-mail call for help that saved his life: "HELP. FEEL SICK. I NEED AID." Within seconds, dozens of people at Witco

Corp. in Woodcliff Lake, New Jersey, darted through the maze of cubicles at the chemical company to help Jack Miller, the man who had messaged for help. Several administered cardiopulmonary resuscitation until an ambulance arrived. Mr. Miller, 56, said, "For me, e-mail means emergency mail. I was going, and nobody would have noticed."

The oldest McDonald's restaurant has probably served its last Big Mac. McDonald's Corp. closed the building in the Los Angeles suburb of Downey after it was damaged in the Jan. 17 earthquake. Preservationists say McDonald's was looking for an excuse to close it and that the damage was slight. McDonald's officials said the building was not profitable because it lacked both a drive-through window and indoor seating. "We respect the architectural and historic significance of the 1950s restaurant design," a spokesman said. "That's why all along we have wanted to preserve as many elements of the Downey restaurant as possible. It's unfortunate that this will not be possible."

Garbage incinerators are making a comeback as they become more efficient. Today's incinerators, which can cost hundreds of millions of dollars, dispose of trash more cleanly, burning away 90 percent of the volume and producing usable amounts of steam and energy. But the 10 percent of the volume that remains as ash can contain toxic metals, and has to be disposed of in landfills lined with clay or plastic. In 1960, 30 percent of rubbish in the United States was incinerated. This dropped to 8 percent in 1980 but has since climbed back to 20 percent.

Ebbets Field in Brooklyn, the late lamented former home of baseball's Dodgers, had Stark the clothier's "Hit Sign, Win Suit" sign in right-center field. Stan Isaacs, a former sports columnist for Newsday, recalls in a New York Times article. "Dodger right fielder Carl Furillo caught most of the balls that might have hit the sign," Mr. Isaacs writes. "After he complained that he ought to get a suit for protecting the sign, Stark sent him a pair of slacks."

Arthur Higbee

Whitewater Frays White House Ties With the Treasury

By Gwen Ifill
New York Times Service

WASHINGTON — The strong bond between the U.S. Treasury Department and the White House — a link that has been central to the Clinton administration's effort to turn the economy around — has been strained in recent weeks by the fallout from the Whitewater investigation.

White House officials said they believe that damaging disclosures about two of the president's top advisers, George Stephanopoulos and Harold Ickes, were the work of Roger Altman, the deputy Treasury secretary.

Many Treasury officials are equally convinced that Mr. Altman took too much of the early blame for participating in a White House discussion of the investigation by the Resolution Trust Corp., the agency he heads that is charged with unraveling the savings and loans collapses.

Mr. Altman, who once routinely roamed the halls of the White House to attend various meetings about economic strategy and health care, has spent more time lately with lawyers. He denies that he leaked any damaging information about White House officials.

But the suspicion has taken at least shallow root in the administration because of the workings of the grand jury that is investigating the government's oversight of Madison Guaranty, the failed Arkansas savings and loan that was owned by James McDougal, a former Clinton business partner.

A number of administration officials have acknowledged holding "inappropriate" conversations related to the matter at a time when the Resolution Trust Corp. was investigating Madison.

Morale and trust have been undermined at both Treasury and the White House, officials at both insti-

tutions said. Leaks to the press have been traced and speculated upon with an intensity that belies the calm officials seek to project.

One piece of evidence: President Bill Clinton and Treasury Secretary Lloyd Bentsen discussed the troubled relationship as they flew on Air Force One in Dallas recently.

In the hallways of the White House, senior officials who used to casually pick up the telephone or stop to chat with Treasury officials in the West Wing hallways now hesitate before they make a call, and avert their eyes when they see a colleague coming who may have testified before the grand jury.

"There is a much higher level of distrust, and it's affecting the way people deal with each other," an official said.

But as the distance between officials working in two buildings separated only by a narrow street has grown, some senior officials have said that the current flurry of finger-pointing will not cause lasting damage.

"I think it's understandable that in the last few weeks there's been a fair amount of stress on the White House, on people who serve there," said David Gergen, the counselor to the president. "I think people are bearing up pretty well under the circumstances."

Much is at stake. Treasury and White House officials, who worked together closely to mount successful campaigns last year on behalf of the administration's economic plan, the North American Free Trade Agreement and on trade policies toward Japan and China, still have a full plate.

Last week, Mr. Bentsen met with officials about Treasury's role in the gun-control provisions of the anti-crime bill, and on Monday, Mr. Altman will resume his seat at the health-care strategy planning sessions run by Mr. Ickes.

High officials, including Mr. Bentsen, Mr. Altman and Mr. Stephanopoulos, have been attempting to clear the air through intermediaries.

"I think the White House knows that the Treasury is totally supportive," Mr. Altman said.

"As far as I'm concerned, we're still a team," Mr. Stephanopoulos said. "We're still a close team. We're a team that produced a lot."

"The feeling before all this was that Treasury was working like clockwork," an official said. "There were problems at Justice, Defense and State, but not at Treasury. Now that's not the case. The collegiality is all gone."

A White House official complained that personal friends are now "setting up Chinese walls in private conversations." Another said, "Everybody is skittish."

Haiti Terror Drive Killed Hundreds

New York Times Service

PORT-AU-PRINCE, Haiti — Hundreds of supporters of the Reverend Jean-Bertrand Aristide and other civilians have been killed in Haiti in recent months in the bloodiest wave of political terror since the army overthrew Father Aristide as president two and a half years ago.

Human rights experts say the violent campaign gained momentum last fall, after the military recognized that diplomatic efforts to restore Father Aristide to power had failed. The violence accelerated this year, with 50 or more bodies turning up in the streets of the capital, Port-au-Prince, each month. Many were badly mutilated or bore clear signs of torture.

Diplomats here said the campaign, aimed at wiping out resistance to army rule, has relied on other techniques such as burning down entire neighborhoods in flush out suspects and raping and kidnapping the wives and children of political organizers who are sought by the authorities.

Experts said that with a United Nations effort to monitor rights largely restricted to the capital, they could not offer a reliable toll of a simultaneous campaign being waged in the countryside by the Haitian

military and its armed civilian allies. The first UN monitors arrived in Haiti in February 1993.

"If you compare the statistics we are getting now with the beginning of the mission, things are 100 times worse," said Tibelle Drame, deputy director of the UN human rights monitoring group in Haiti.

"It's hard to imagine the number of suspicious deaths we are seeing these days," he said.

He indicated that 30 bodies had turned up in the Cité Soleil shantytown of the capital, some of them badly disfigured. "It seems Cité Soleil is being targeted because it is such a concentrated population," he said. "They are sending the political message to the country that if we can get you here, we can get you anywhere."

A 33-year-old man described a yearlong series of arrests and torture by Haitian soldiers and paramilitary thugs that ended only when he went into hiding with the help of some foreigners.

Like many other victims of the recent terror, he recounted being taken one one occasion to the headquarters of the police anti-gang unit, where he was repeatedly tortured during interrogations, beaten with a heavy wet towel. He was released, he said, after his relatives paid a hefty bribe to a police captain.

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BEIJING: Fears of North

Continued from Page 1

nuclear threat; it is that the Politburo cannot predict the outcome of a pressure campaign against the government in Pyongyang and is unwilling to risk the consequences of a new Korean war.

"Are the Chinese right in saying that we cannot push North Korea too far, too fast?" an analyst said. "I'm not sure we know the answer."

For now, China is likely to stick to a path that sees inaction as a useful tool.

But at the same time China is quietly stepping up its private diplomatic campaign to convince North Korea, the last unreformed Stalinist state, that its best future lies in economic reform, political openness and a nonnuclear military strategy.

As part of Beijing's effort, two Chinese military leaders, both veterans of the Korean War, have played important roles in the military talks between Beijing and Pyongyang. One is Hong Xuezhong, who headed the logistics branch of the Chinese Army until 1992. The other is General Xu Xun, a longtime army deputy chief of staff.

In a recent interview, General Xu said he had led two delegations to North Korea for talks on the nuclear issue.

"So long as it contributes to the issue of peace in the region," he said, China "will be making an active contribution" on the diplomatic front.

The Chinese military also has been taking North Korean generals on tours of China's economic boom towns to impress on them the benefits of economic reform.

Despite Beijing's initiative, an analyst said, "The Chinese are not sure the message is getting through, and there is a lot of frustration in dealing with North Korea in general."



A woman laying flowers at the scene of the fatal shooting of two Japanese students, Takuma Ito and Go Matsuura, in San Pedro, California, during a recent wreath dedication ceremony for them that was attended by hundreds of people. Two suspects are in custody.

Japanese 'Gunslingers' Zero In on Guam

By William Branigin
Washington Post Service

TUMON, Guam — The advertisement in the "Guam Now" tourist guide shows a Japanese-looking man in a camouflage bush hat firing a handgun at a watermelon. The color photo freezes the moment in all directions, creating a crimson blur against a backdrop of trees.

Except for the name of the establishment, World Gun Shop, and a few designations for firearms such as "AR-15" and "AK-47," the ad is entirely in Japanese. Indeed, this and other shooting ranges like it on Guam cater almost exclusively to Japanese tourists, who make up

about 80 percent of visitors to this U.S. territory in the Pacific.

While many Japanese blame the wide availability of guns in the United States for the kind of violence involved in the shooting deaths of two Japanese students in Los Angeles on March 25, thousands of their compatriots travel about 1,000 kilometers (about 600 miles) to enjoy the dubious thrill of the American gun culture.

"They like to shoot," an employee of the Top Gun Shooting Range said of his Japanese clientele. "They can't shoot in Japan."

In the absence of such installations in their homeland, where private gun ownership is prohibited, Japanese tourists have created a

niche for shooting galleries here. About a score of them have opened since the early 1980s. Most of them are indoor ranges near the hotels that line Tumon Bay, just north of the seat of government in Agaña.

Similar gun ranges cater to Japanese tourists on the nearby island of Saipan and at beach resorts on the central Philippine island of Cebu.

At the Top Gun, upstairs from the Asahi Duty-Free store and featuring camouflage-painted walls lined with American flags and pictures of guns, weapons can be fired at a paper target bearing the likeness of a helmeted, rifle-brandishing soldier. The rates for 36 rounds are \$35 for a .38 revolver, \$45 for a

44 Magnum and \$50 for an Uzi or Thompson submachine gun.

Other galleries offer the experience of firing M-16 and AK-47 assault rifles, MAC-11 submachine guns and assorted pistols, rifles and shotguns made by Beretta, Browning, Glock, Winchester, Colt, and Smith and Wesson.

For many Japanese, "if you're in America, it's the Wild West," said Miket W. Schwab, an assistant U.S. attorney here.

Shooting ranges are not the only attractions that serve a largely Japanese clientele here. With a strong yen making foreign travel attractive, Guam drew a record 110,000 tourists last month, mostly Japanese.

Business in Mind, Clinton Team Puts India Back on the Map

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The Clinton administration has discovered India.

Strobe Talbott, in his first trip abroad as deputy secretary of state, heads for New Delhi this week to meet Indian officials upset by a year of what they see as slights, neglect and policy misjudgments by Washington.

Meanwhile, the Commerce Department has declared India one of 10 "big emerging markets" meriting special attention from Washington because of the potential for U.S. economic expansion in those markets and their growing impact on world affairs.

With U.S. investment pouring into India after decades in which it was virtually prohibited, the economic side of the U.S.-India relationship is much more harmonious than the political side, where relations have deteriorated rapidly over the past year.

On what promises to be a difficult first mission, Mr. Talbott is also going to Pakistan, at a time when U.S. officials are concerned that the two countries are near what a U.S. State Department official called "a dangerous threshold" of nuclear confrontation. Washington fears India and Pakistan could go to war over their rival claims to Kashmir, the region in the Himalayan foothills where Pakistan is supporting Muslim separatists in a guerrilla war against Indian rule.

Mr. Talbott will be the highest-ranking representative of the Clinton administration to visit India. Although India is the world's second-most populous nation and biggest democracy, it has lacked a U.S. ambassador since early in the Clinton administration.

Acknowledging that India has some reason to feel slighted, the administration is about to name an ambassador, Frank G. Wisner, the undersecretary of defense for policy. Mr. Wisner is a respected career diplomat whose nomination will ease India's feelings of neglect, according to U.S. and Indian officials, but cannot be expected quickly to overcome all the irritants in the relationship between Washington and New Delhi.

In particular, India has reacted negatively to a U.S. proposal to ship F-16 fighter jets to Pakistan as an inducement to halt Pakistan's development of nuclear weapons. By concentrating on curbing Pakistan's nuclear program, U.S. officials hope to take a step toward achieving a similar "cap" on India's nuclear program.

The roots of U.S.-India tension can be traced back about 40 years, to early in the Cold War era when Secretary of State John Foster Dulles was enlisting Pakistan as a South Asian ally against the threat of communist expansion. India, while officially non-aligned, had close ties to Moscow.

Washington backed Pakistan in the 1971 war with India that led to the secession of Bangladesh, and developed further close ties with Islamabad while using Pakistan as a base for aiding rebels fighting to oust Soviet troops from Afghanistan in the 1980s.

During much of that time, nationalistic governments in India also barred most foreign investment, effectively excluding U.S. business from the huge Indian market.

The end of the Cold War and a radical shift of economic policy by the Indian government of Prime

NEWS ANALYSIS

Minister P. V. Narasimha Rao changed the dynamics of the U.S.-India relationship.

U.S. investment in India rose from less than \$40 million in 1989 to more than \$1.1 billion last year. Overall trade between the two countries, once negligible, was \$7.3 billion last year, according to the Indian Embassy.

This liberalization of the Indian economy has earned India a place on the Commerce Department's list of "big emerging markets." These, according to Undersecretary Jeffrey E. Garten, merit special consideration from U.S. policy-makers because of their regional influence and their potential as customers. The others are China, Indonesia, South Korea, Mexico, Argentina, Brazil, South Africa, Poland and Turkey.

This new economic relationship is moving ahead rapidly, but political relations have been on a slide since April 1993, U.S. and Indian officials agree.

With the Indians already miffed because the high-profile U.S. ambassador, Thomas R. Pickering, was transferred to Russia after just a few months and the post was left vacant, another State Department official, John R. Malott, gave a speech in New Delhi in which he criticized excesses committed by Indian security forces in Kashmir.

The United States was also leaning on Pakistan at the same time for supporting terrorists in Kashmir, and the Indians loved that," a U.S. official said. "But the Malott speech set them off. There was a very strong reaction to John's visit."

Subsequent remarks by Robin L. Raphe, assistant secretary of state for South Asian affairs, were perceived by the Indians as questioning India's sovereignty over Kashmir. Indian newspapers blasted her for saying in an October interview that the Clinton administration did not believe Kashmir was "forevermore an integral part of India."

U.S. officials insist that Ms. Raphe only restated long-standing U.S. policy toward Kashmir.

KOREA: Pentagon Sees Risk of Conflict in U.S. Policy on Arms Program

Continued from Page 1

very difficult to achieve it, but it's easy to state it."

Mr. Perry repeated a CIA estimate that North Korea might have as many as two nuclear bombs already. Looking ahead, he said, "They are embarked on a program of development which could get them a dozen or more bombs a year."

Capacity Has Doubled

R. Jeffrey Smith of the Washington Post reported from Washington:

North Korea has nearly doubled its capacity to produce plutonium for nuclear arms and has forged ahead with related reactor programs while refusing full international inspection of its nuclear installations, according to U.S. and diplomatic officials.

This picture of North Korea's expanding effort is based on unpublicized reporting by international inspectors, who visited the North Korean nuclear complex at Yongbyon in March. The inspection, in the words of a U.S.

official, showed North Korea is now "poised to go forward" in its nuclear weapons effort.

Officials said Hans Blix, director of the International Atomic Energy Agency, disclosed some of the inspection results in a closed-door briefing March 24 to the UN Security Council. But Mr. Blix deliberately omitted the details from a written, public report because of the agency's uncertainty about North Korea's motivations, the officials said.

Indications of North Korea's expanded nuclear program were first reported last week in *Nucleonics Week*, a trade publication.

According to accounts of last month's two-week inspection provided by four knowledgeable sources, who asked not to be named, the most worrisome nuclear-related construction has taken place in a large building at Yongbyon that houses a reprocessing "line," a set of vats and cauldrons for extracting plutonium from spent nuclear fuel.

The CIA has said that this reprocessing line was used by North Korea from 1989 to 1992 to produce enough plutonium for one or two nuclear weapons. During their recent visit, inspectors

were barred from seeing all of the huge building.

After a week of diplomatic negotiations, the Security Council issued a nonbinding appeal Thursday night calling on North Korea to allow inspectors to finish their work at Yongbyon and asking Mr. Blix to report on North Korea's compliance next month.

But the sources said that despite the hindrances, the inspectors already have seen enough to conclude that North Korean engineers have not been idle while the country has haggled for a year over full international access. They saw, for example, that operators of the reprocessing plant have nearly finished constructing a second reprocessing line in the building that is virtually identical to the existing line.

The new line currently lacks diagnostic equipment and instruments needed to monitor the complex process of dissolving spent fuel to separate plutonium. But when completed in roughly six months, the sources said, it would effectively double North Korea's plutonium production capacity.

At a Beijing Cemetery, '89 Crackdown Lives On

By Lena H. Sun
Washington Post Service

BEIJING — On a day when hundreds of Chinese filled the Wan An Public Cemetery, the graves of Wang Weiping and Duan Changlong showed no signs of visitors, except for plainclothes police and a foreign reporter.

This is the time of year when Chinese mourn the dead. On this balmy spring morning, families seemed into the cemetery to lay flowers and food in the Chinese tradition.

Mr. Wang and Mr. Duan were killed in the bloody 1989 army crackdown on democracy demonstrators during which hundreds of people died. That incident remains a major political taboo, which may be why Mr. Wang's and Mr. Duan's graves seemed untended.

A visit by this reporter to the cemetery ended in a two-hour interrogation, indicating how sensitive authorities are about anything related to the crackdown as the fifth anniversary approaches.

In this atmosphere, seven carloads of police detained China's most prominent political dissident, Wei Jingsheng, on Friday as he was returning to Beijing from a self-imposed exile in nearby Tianjin. Mr. Wei, released from nearly 15 years in prison last year, was picked up last month by authorities as part of a wave of detentions surrounding Secretary of State Warren M. Christopher's trip to Beijing.

The official Xinhua press agency confirmed Saturday that police "summoned" Mr. Wei and "had a talk with him" on Friday, but said that Mr. Wei "left the bureau immediately afterward." Mr. Wei's

associates told reporters Sunday they had no news of him and assumed he was still in official hands.

Though many of the victims of the 1989 crackdown were cremated, some were buried in Wan An, which means Eternal Peace.

No family members or friends were seen at the graves, two of which had black-and-white photos affixed to the top, but two policemen were circling the area.

Wang Weiping was a gynecologist at the People's Hospital. An inscription says only that she "perished in the disaster" in June 1989.

Duan Changlong, who in his photo appeared to be a serious-looking youth in glasses and a suit and tie, was a chemical engineering student at Qinghua University, China's equivalent of the Massachusetts Institute of Technology. He also "perished in the disaster."

In the early hours of June 4, 1989, I was interrogated after leaving the cemetery and then returning to find some notes dropped inadvertently. I was taken to a building there for questioning.

During the interrogation, at least six different police officers were present. Later on, Xinhua said I had been questioned by the police "after having taken photographs in a graveyard without having gone through necessary procedures."

"You have violated the regulations because you did not have permission in advance from the Beijing City Foreign Affairs Office to visit the cemetery," the officer in charge told me, before letting me leave.

The session closed a short time later and I was allowed to return home.

BOOKS

DIPLOMACY

By Henry Kissinger. Illustrated. 912 pages. \$35. Simon & Schuster.

Reviewed by Michiko Kakutani

WITH Henry Kissinger's "Diplomacy," the reader actually gets two books in one.

On one level, the volume is an elegantly written study of Western diplomacy, from Richelieu through Metternich and Bismarck to modern times. This book tries to give the reader an understanding of four centuries of Western politics and history, as well as an appreciation of the highly divergent traditions in statesmanship found in Europe and the United States.

Like Henry James, Kissinger contrasts European cold-bloodedness and sophistication with American innocence and naivete; like Tocqueville, he wants to examine the consequences that optimism and democratic ideals have had on America's practical conduct.

The second book, which emerges as a subtitle, is more subjective and cunning. To begin with, it attempts to place Kissinger's own policymaking exploits (as national security adviser and secretary of state under President Richard M. Nixon) in context with the policymaking records of such giants as Metternich, Castlereagh and Bismarck. While making an impassioned case for such Kissingerian concepts as triangular diplomacy, linkage and balance-of-power negotiations, the book also tries to spin recent and not-so-recent history to support Kissinger's own embrace (both as scholar and policymaker) of the power-oriented pragmatics of realpolitik.

For instance, the failure of the Western democracies to recognize the dangers of Nazi Germany early on, Kissinger suggests, can be attributed to those countries' failure to heed traditional balance-of-power tenets, which "should have made it clear that a large and

WHAT THEY'RE READING

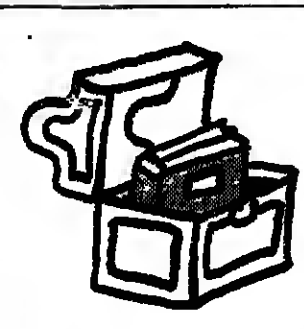
• Annie Dillard, who won a Pulitzer Prize in 1975 for "Pilgrim at Tinker Creek," is reading James McConkey's "Court of Memory." "This memoir is a treasure because of its extraordinary depth of feeling. The thoughtful life he brings to bear on his life, his modesty, and his rare literary ability to push events through to meanings, make this memoir a rich find for people who love literature." (Brian Kowloon, IHT)

strong Germany bordered on the east by small and weak states was a dangerous threat," regardless of Hitler's motives.

Such arguments, of course, serve another purpose: they provide a resonant historical backdrop for Kissinger's efforts to explain and vindicate his own handling of foreign affairs for Nixon.

After all, as Kissinger well knows, books have the capacity to help shape one's place in history (or at least affect how one's efforts are perceived); his second book, "Nuclear Weapons and Foreign Policy" (1957), made him an intellectual celebrity at age 34, while his later books, including his best-selling memoirs, helped cement his fame.

In this respect, "Diplomacy" can be seen as a kind of response to the publication of recent books (from Seymour M. Hersh's angry diatribe "The Price of Power" to Walter Isaacson's comprehensive biography, "Kissinger") that have provided



ed less-than-flattering portraits of the former secretary of state.

Indeed, the last portion of "Diplomacy" rereleases events dealt with at length in Kissinger's two volumes of memoirs ("The White House Years" (1979) and "Years of Upheaval" (1982), including the end of the Vietnam War, détente with the Soviet Union and the opening to China.

Whereas the sheer amount of detail in Kissinger's memoirs often shrouded the larger policy goals of his tenure in the Nixon administration, "Diplomacy" provides a succinct overview of both his basic philosophy and his interpretation of individual events.

The reader finishes the volume with a vivid sense of the author's dark, Hobbesian view of the world and the political implications of that vision.

Living from the philosophic to the anecdotal with ease, Kissinger holds the reader's attention with

colorful cameo portraits of statesmen, and sharp aperçus about the practice of power.

Kissinger argues that the conduct of U.S. foreign policy has historically divided into two dominant schools: the realist school exemplified by Theodore Roosevelt and Nixon, and the messianic, idealist school exemplified by Woodrow Wilson and Ronald Reagan.

He argues that America's universalist ideals, combined with its advocacy of collective security, has sometimes blinded the country to the cultural differences of other countries. And he argues that the United States, alone among nations, has "rested its claim to international leadership on its altruism," a claim that possesses "a certain aura of unpredictability" for other countries used to blunt calculations of national interest.

Such assessments of America's role in the world should read, even if "Diplomacy" itself fails to solidify the place in diplomatic history Kissinger would like.

While Kissinger's focus on national interests and geopolitical realities frequently led to criticism that he lacked an innate feel, as a policymaker, for American values and mores, his very position as a philosophical outsider makes him a provocative observer and essayist, the roles best realized by this shrewd, often veering and consistently absorbing book.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

SUPPOSE you are South, playing six diamonds on the diagramed deal. Clubs are led and continued, forcing dummy to ruff. Would you expect to make the slam in real life, with the East-West cards hidden?

Those who answered in the affirmative may have peaked. It is quite true that you can succeed by working on spades, with or without a finesse, but that requires a favorable spade position, roughly a 50 percent chance, plus a 5-2 trump split.

Much better is to play on hearts, planning to ruff the third round with the dummy and then draw trumps. This needs a 3-2 heart split, and South may be able to deal with a singleton heart queen. He can handle a 4-1 trump split easily if the hearts behave.

South was Brad Moss of Manhattan, an options trader on the American Stock Exchange, and he gave himself a fractionally better chance by cashing the diamond king before tackling hearts. But when he played the king and ace of hearts, West ruffed and it was all over.

In the post-mortem he gloomily noted that he could have succeeded by an inferior line of play. But here were two silver linings. The rival South player, Jaap Brilleman of the Netherlands, matched his correct declarer play and went down in the slam. And, along with Ravindra Murthy, Michael Polowin and Sam Lev, he was en route to victory in the Forbo International Team Tournament, one of Europe's leading team events, played in mid-February in Scheveningen, the Netherlands.

NORTH
AKJ632
QK8
K1882
J

WEST (D)
Q107
K2
Q73
Q107843

SOUTH
AKJ854
AQJ8
88

North and South were vulnerable. The bidding:
West: 1♣, 1♦, 1♥, 1♠, 2♣, 2♦, 2♥, 2♠, 3♣, 3♦, 3♥, 3♠, 4♣, 4♦, 4♥, 4♠, 5♣, 5♦, 5♥, 5♠, 6♣, 6♦, 6♥, 6♠, 7♣, 7♦, 7♥, 7♠, 8♣, 8♦, 8♥, 8♠, 9♣, 9♦, 9♥, 9♠, 10♣, 10♦, 10♥, 10♠, 11♣, 11♦, 11♥, 11♠, 12♣, 12♦, 12♥, 12♠, 13♣, 13♦, 13♥, 13♠, 14♣, 14♦, 14♥, 14♠, 15♣, 15♦, 15♥, 15♠, 16♣, 16♦, 16♥, 16♠, 17♣, 17♦, 17♥, 17♠, 18♣, 18♦, 18♥, 18♠, 19♣, 19♦, 19♥, 19♠, 20♣, 20♦, 20♥, 20♠, 21♣, 21♦, 21♥, 21♠, 22♣, 22♦, 22♥, 22♠, 23♣, 23♦, 23♥, 23♠, 24♣, 24♦, 24♥, 24♠, 25♣, 25♦, 25♥, 25♠, 26♣, 26♦, 26♥, 26♠, 27♣, 27♦, 27♥, 27♠, 28♣, 28♦, 28♥, 28♠, 29♣, 29♦, 29♥, 29♠, 30♣, 30♦, 30♥, 30♠, 31♣, 31♦, 31♥, 31♠, 32♣, 32♦, 32♥, 32♠, 33♣, 33♦, 33♥, 33♠, 34♣, 34♦, 34♥, 34♠, 35♣, 35♦, 35♥, 35♠, 36♣, 36♦, 36♥, 36♠, 37♣, 37♦, 37♥, 37♠, 38♣, 38♦, 38♥, 38♠, 39♣, 39♦, 39♥, 39♠, 40♣, 40♦, 40♥, 40♠, 41♣, 41♦, 41♥, 41♠, 42♣, 42♦, 42♥, 42♠, 43♣, 43♦, 43♥, 43♠, 44♣, 44♦, 44♥, 44♠, 45♣, 45♦, 45♥, 45♠, 46♣, 46♦, 46♥, 46♠, 47♣, 47♦, 47♥, 47♠, 48♣, 48♦, 48♥, 48♠, 49♣, 49♦, 49♥, 49♠, 50♣, 50♦, 50♥, 50♠, 51♣, 51♦, 51♥, 51♠, 52♣, 52♦, 52♥, 52♠, 53♣, 53♦, 53♥, 53♠, 54♣, 54♦, 54♥, 54♠, 55♣, 55♦, 55♥, 55♠, 56♣, 56♦, 56♥, 56♠, 57♣, 57♦, 57♥, 57♠, 58♣, 58♦, 58♥, 58♠, 59♣, 59♦, 59♥, 59♠, 60♣, 60♦, 60♥, 60♠, 61♣, 61♦, 61♥, 61♠, 62♣, 62♦, 62♥, 62♠, 63♣, 63♦, 63♥, 63♠, 64♣, 64♦, 64♥, 64♠, 65♣, 65♦, 65♥, 65♠, 66♣, 66♦, 66♥, 66♠, 67♣, 67♦, 67♥, 67♠, 68♣, 68♦, 68♥, 68♠, 69♣, 69♦, 69♥, 69♠, 70♣, 70♦, 70♥, 70♠, 71♣, 71♦, 71♥, 71♠, 72♣, 72♦, 72♥, 72♠, 73♣, 73♦, 73♥, 73♠, 74♣, 74♦, 74♥, 74♠, 75♣, 75♦, 75♥, 75♠, 76♣, 76♦, 76♥, 76♠, 77♣, 77♦, 77♥, 77♠, 78♣, 78♦, 78♥, 78♠, 79♣, 79♦, 79♥, 79♠, 80♣, 80♦, 80♥, 80♠, 81♣, 81♦, 81♥, 81♠, 82♣, 82♦, 82♥, 82♠, 83♣, 83♦, 83♥, 83♠, 84♣, 84♦, 84♥, 84♠, 85♣, 85♦, 85♥, 85♠, 86♣, 86♦, 86♥, 86♠, 87♣, 87♦, 87♥, 87♠, 88♣, 88♦, 88♥, 88♠, 89♣, 89♦, 89♥, 89♠, 90♣, 90♦, 90♥, 90♠, 91♣, 91♦, 91♥, 91♠, 92♣, 92♦, 92♥, 92♠, 93♣, 93♦, 93♥, 93♠, 94♣, 94♦, 94♥, 94♠, 95♣, 95♦, 95♥, 95♠, 96♣, 96♦, 96♥, 96♠, 97♣, 97♦, 97♥, 97♠, 98♣, 98♦, 98♥, 98♠, 99♣, 99♦, 99♥, 99♠, 100♣, 100♦, 100♥, 100♠, 101♣, 101♦, 101♥, 101♠, 102♣, 102♦, 102♥, 102♠, 103♣, 103♦, 103♥, 103♠, 104♣, 104♦, 104♥, 104♠, 105♣, 105♦, 105♥, 105♠, 106♣, 106♦, 106♥, 106♠, 107♣, 107♦, 107♥, 107♠, 108♣, 108♦, 108♥, 108♠, 109♣, 109♦, 109♥, 109♠, 110♣, 110♦, 110♥, 110♠, 111♣, 111♦, 111♥, 111♠, 112♣, 112♦, 112♥, 112♠, 113♣, 113♦, 113♥, 113♠, 114♣, 114♦, 114♥, 114♠, 115♣, 115♦, 115♥, 115♠, 116♣, 116♦, 116♥, 116♠, 117♣, 117♦, 117♥, 117♠, 118♣, 118♦, 118♥, 118♠, 119♣, 119♦, 119♥, 119♠, 120♣, 120♦, 120♥, 120♠, 121♣, 121♦, 121♥, 121♠, 122♣, 122♦, 122♥, 122♠, 123♣, 123♦, 123♥, 123♠, 124♣, 124♦, 124♥, 124♠, 125♣, 125♦, 125♥, 125♠, 126♣, 126♦, 126♥, 126♠, 127♣, 127♦, 127♥, 127♠, 128♣, 128♦, 128♥, 128♠, 129♣, 129♦, 129♥, 129♠, 130♣, 130♦, 130♥, 130♠, 131♣, 131♦, 131♥, 131♠, 132♣, 132♦, 132♥, 132♠, 133♣, 133♦, 133♥, 133♠, 134♣, 134♦, 134♥, 134♠, 135♣, 135♦, 135♥, 135

Q & A: Where Berlusconi Is Headed

Senator Roberto Lasagna was Silvio Berlusconi's campaign manager. He discussed last week's Italian election and the future of a Berlusconi-led government with Alan Friedman of the International Herald Tribune.

Q. Your party, Forza Italia, has been accused of winning thanks to an overly slick, expensive television campaign. How do you respond?

A. Italian law allows a new political party to present itself with a budget of up to 18 billion lire. We spent less than 15 billion lire (\$9 million), and that money came from bank loans to Forza Italia.

Television was 70 percent of the campaign, and 30 percent was posters. The slogan — "For a new Italian miracle" — was invented by Berlusconi himself, and so was the party's anthem.

Q. But weren't you abusing the power of Mr. Berlusconi's own television stations with a flood of commercials?

A. The birth of a new political party requires lots of exposure, and the same exposure was offered to all the parties. The other parties did not seem to understand the fact that the law said no television advertising would be allowed in the last 30 days of the campaign. So we concentrated our first 30 days on television, and then we went to posters.

In mid-February I decided to take Berlusconi off the air for eight days in order to avoid overexposure, and he certainly didn't love me for it. But then I put him back on the air in the last 10 days so that 80 percent of the audience saw him at least 10 to 12 times.

Q. But critics say that there was too much

glossing over. How about substance, policies?

A. We had 45 specific policy positions, with the problems and our solutions. These ranged from taxes to pension funds to unemployment and public spending. Our opponents had generic manifestos. We tried in the campaign, and will try in government, to give people hope that the incredible weight of the Italian bureaucracy will be lifted.

Q. You are a professional advertising executive, the former chairman of the Milan subsidiary of Saatchi & Saatchi. How did you manage the Berlusconi campaign?

A. I arrived to find many of the elements of the campaign already in place, including the music, the television spots and the staff. My task was to make sure the machine worked well. I created the organizational structure and ran 25 different parts of the operation, from media to budget to security.

Each morning I had a meeting with 20 people reporting to me from 9:30 until 11 o'clock. Each evening we met until 10, gathered data from around the country, and made projections. Then five or six of us went to join Berlusconi at his villa with a progress report and a flow chart I devised, showing for example that we had three days to go to a certain event, 30 days to election, and so on. We sometimes spent nearly the whole night talking with him.

Q. What was the key to your electoral success?

A. Aside from Berlusconi's courage, it was a campaign that responded to the Italian people, who no longer wanted to leave their affairs in the hands of incompetent and corrupt politicians. We were also helped by the former Communists, who thought they had victory wrapped up until Berlusconi arrived in January, and then went into a state of panic.

Q. How can one accept that Berlusconi will keep separate his vast private holdings and public policy to avoid a conflict of interest?

A. I know this man well, and Berlusconi is now responsible for all of Italy, for 60 million people, and that is over and above any personal, private financial interest he may ever have dreamed of having.

Q. The outside world is very unsettled by the possible presence of your electoral allies, the ex-Fascists, in the government. What can you say about the Fascists?

A. The reaction is fair, but based on a lack of knowledge. Berlusconi will certainly control the ex-Fascists, and he has no ties or leanings towards traditional Fascism. The Italians wouldn't stand for it. Fascism is 50 years ago, and it is dead, buried and part of history.

Q. What are Berlusconi's foreign policy goals?

A. He wants a straightforward, NATO-oriented Italian government. We want to rejoin the European exchange-rate mechanism as soon as possible. We are in favor of a united Europe 1,000 percent, and liberal economic policies. Berlusconi also wants good relations with the Clinton administration, and he thinks of the United States as Italy's greatest ally.

Q. What are the most dramatic changes we can expect from a Berlusconi-led government?

A. First of all, you will see one government, a single unit, and not 20 different special interests and subparities as it used to be. The three parties in our coalition will get together and run the country. It will seem like blood sport for the next 10 days while they haggle over forming the government, and then you will get four years of solid government.

Italy's Health System Lingers on Sick List

Corruption, Waste and Overcrowded Hospitals Are Endemic

By William Drozdiak

Washington Post Service

ROME — In the Misericordia public hospital in the town of Prato, just north of Florence, a 58-year-old woman lay dying from cancer in a cot placed in the corridor because no other beds were available.

Moved by her plight, Franca, a patient who had just been operated on for a tumor, offered her bed to the dying woman and took her place on the cot. "To die in such a manner would just not be Christian," Franca said. "Anybody in my place would have done the same thing."

The story of Franca's compassionate gesture, which was widely publicized in the press and on television, has evoked admiration across much of the country as Italy celebrates Easter week during one of the most turbulent phases of its postwar political history.

Yet, it has also stirred outrage that in a democracy that is the world's fifth largest economy and where the constitution guarantees the right to proper health care, people are still left to die in hospital corridors.

The cradle-to-grave health care system enjoyed by most societies in Western Europe is often cited as an inspiration behind President Bill Clinton's attempt to revamp medical coverage in the United States.

But in Italy, national health care has become an embarrassing showcase for the kind of rampant corruption, fraud and waste that led Italian voters last week to reject its traditional governing class in favor of the media-magnate Silvio Berlusconi and his rightist allies.

Italy's health sector has produced some of the most spectacular cases in the massive bribery and kickback scandal that over the last two years has devastated the careers and reputations of more than 5,000 members of Italy's political and business elite.

The former health minister, Francesco De Lorenzo, has been accused of taking kickbacks worth millions of dollars from pharmaceutical companies to keep prices pegged at artificially high levels. Until now, he was spared indictment because he enjoyed parliamentary immunity. It lapsed with the elections last week.

In another case, police investigators are looking into illegal trafficking of corpses that were extracted from corpses in Rome's public hospitals to be sold for transplants by ophthalmologists in private clinics. The corpses were removed without permission from the families of the deceased.

Contracts to build new hospitals became a notorious prize in the awarding of public works

contracts that reportedly delivered a 10 percent kickback into the coffers of party treasuries, even if the facilities were not needed or did not get built. The San Valentino hospital near Pescara, for example, has been under construction for 40 years.

Meanwhile, the overcrowding of public hospitals that compelled Franca to surrender her bed is coming under fire as the inevitable result of a dysfunctional system in which the state reimburses a public hospital according to bed occupancy.

"There are absolutely no incentives for efficiency," said Carol Boche Tarantelli, an American-born member of the Italian Parliament and a health care specialist for the opposition Democratic Party of the Left.

"Since hospitals get paid by having their beds filled, they are encouraged to keep people there for much longer than necessary. And if those beds are occupied by people who are not so sick, then the hospital management figures it is so much the better because they require less care and attention. But meanwhile, people who really need it are stranded without help."

As a result, ambulances carrying somebody who is seriously ill or injured often must race around to as many as eight or nine hospitals in search of an empty bed. An emergency phone number to find

out which hospitals have vacancies was put into service three months ago.

"People often have to wait up to 20 days in the hospital for tests to be done, because the labs are only open four hours a day," Miss Tarantelli said. "So they stay there occupying a bed that could be used by somebody who is seriously ill, all because the hospital is happy to get money from the state for a patient who does not require them to lift a finger."

Since 1979, Italy's health system has been decentralized so that local councils have taken more responsibility for managing health care. As a result, to wealthy regions such as the north, the public health care is considered good, while south of Florence — as income declines — the care gets progressively worse.

Local control, however, has not slowed the exorbitant expense that has driven the cost of health care to 11 percent of the country's gross national product, the highest in Europe. The primary reason for the soaring costs remains overstaffing and medicine, which is often overprescribed.

But even if the price and care policies are reformed, the abuse of patronage remains a troubling issue in a country where political parties have long taken care of their voters and supporters through the distribution of jobs.

Praise for Mussolini Broke Law, Lawyer Asserts

Compiled by Our Staff From Dispatches

ROME — A lawyer has lodged a formal complaint alleging that comments by the fascist leader, Gianfranco Fini, praising Benito Mussolini, the former dictator, are against Italian anti-Fascist laws.

Mr. Fini sought Sunday to play down the remarks, saying that his admiration for Mussolini was similar to praise for Napoleon or Julius Caesar.

"History never repeats itself," he said. "The judgment I made was exclusively historical. A political judgment and an historical judgment are two different things."

Giosuè Calabria, a lawyer in Bologna, said that Mr. Fini's comments that Mussolini was "the greatest statesman of this century" breached a 1952 law banning any public apology of Fascism.

Mr. Fini was quoted by L'Indipendente newspaper, a small Rome daily, as saying that the criticism directed at him was "the same old polemics of the left because it is short of arguments."

"If I say that Napoleon was a great European statesman or Julius Caesar was a great man, nobody can think that I want to rebuild the Napoleonic or Roman empires," Mr. Calabria said the 1952 law could lead

to prosecutions against "anyone who publicly exalts the officials, the principles, the facts or the methods of Fascism."

Mr. Fini, whose National Alliance was in the three-party coalition that swept to a landslide victory in the elections last week, made the comments praising Mussolini in an interview published Friday in the Turin newspaper La Stampa. Mr. Fini added that Silvio Berlusconi, whose Forza Italia dominates the winning alliance, was no match for Il Duce.

"Berlusconi will have to run hard to show he is part of history like Mussolini," he said in the interview. (AFP, Reuters)



WHITE EASTER — A rider passing by a castle near Igis, in eastern Switzerland, on Sunday after snowfall blanketed most regions.

Israel Arrests Fugitive Extremist Leader

By Clyde Haberman

New York Times Service

JERUSALEM — Five weeks after he was declared an outlaw, the Israeli police caught up Sunday with the fugitive leader of the neo-Arab Kach Party, arresting him and ordering that he be held without trial for three months.

In a cat-and-mouse chase laden with farcical elements, the Kach leader, Baruch Marzel, had eluded the police for weeks even though Israeli and foreign journalists had managed to find him for interviews in which he repeatedly taunted his pursuers.

Mr. Marzel, who succeeded Rabbi Meir Kahane as head of Kach after the rabbi's assassination in 1990, was arrested in the West Bank settlement of Pnei Hever. He was at the home, the police said, of a Jewish settler standing trial on charges of having shot to death an Arab who had been bound hand and foot.

Pnei Hever is about 7 kilometers (4 miles) from Hebron, where Mr.

Marzel is among 450 Israelis whose presence in that predominantly Palestinian town has become a dominant issue since the Feb. 25 massacre there of at least 29 Muslim worshippers by a Jewish settler, Dr. Baruch Goldstein.

With the arrest on Sunday, the Israeli authorities captured the last Kach figure who was still at large in a post-massacre crackdown that has seen that group and the spinoff Kahane Lives movement outlawed as terrorist organizations.

Mr. Marzel was a wanted man even before the Kahane-rooted groups were banned three weeks ago. He now joins seven other settlers in "administrative detention" — arrest for months without formal charges.

Mr. Marzel, 35, who told The Associated Press last week that he had changed hideouts nearly 40 times, was caught while asleep, and no force was needed, the police said.

As a sign of how realities have changed in the occupied territories, the Israeli was put under arrest for

anti-Arab activities at the same time that the government agreed to the imminent return of several dozen Palestinians who had been deported years ago for anti-Israel activities.

It was not clear how many deportees would be allowed back in, or exactly when, although some may begin entering the West Bank and Gaza Strip as early as Monday or Tuesday. A Palestinian leader, Faisal Husseini, put the number at 49, but a senior Israeli official said it probably would be closer to 32.

In any event, some of those coming home were important local leaders or are close to Yasser Arafat, the chairman of the Palestine Liberation Organization. They include people expected to prepare for the arrival later in the week of a first contingent of Palestinian police officers to Gaza and the West Bank town of Jericho, the targeted areas for Palestinian self-rule and an Israeli troop withdrawal.

The return of the deportees, the anticipated Palestinian police and plans for 160 lightly armed fighters

to help keep Hebron peaceful are all signs of how Israel and the PLO are trying to put the massacre behind them and to put their negotiations on carrying out the Gaza-Jericho plan on fast forward.

Those talks resumed Sunday in Cairo with both sides looking to wrap up remaining details by April 13, the original target date for completing the Israeli withdrawal from Gaza and Jericho.

Another post-massacre phenomenon is an Israeli state inquiry into the Hebron killings. The inquiry commission's five members had summoned Dr. Goldstein's wife, Miriam, to appear Sunday, but she refused.

But the panel did hear from Zvi Katzover, mayor of the Kiryat Arba settlement outside Hebron where Mrs. Goldstein lives. Mr. Katzover, who acknowledged that "there are crazies and lunatics" in his community, warned that another massacre could take place if Jewish settlers did not feel safe from Arab attacks.

Leaders Set Meeting on Natal Violence

Compiled by Our Staff From Dispatches

JOHANNESBURG — South African leaders who favor and oppose this month's all-race general election will meet Friday to seek an end to violence that is continuing in Natal despite the imposition of a state of emergency in the province.

President Frederik W. de Klerk, Nelson Mandela, leader of the African National Congress; Goodwill Zwelithini, the Zulu king, and Chief Mangosuthu Buthelezi, head of the Zulu-based Inkatha Freedom Party, agreed to the meeting when they met for a religious ceremony in Morija, in northern Transvaal, a presidential spokesman said. He did not say where the meeting would be held.

Chief Buthelezi, who wants an autonomous Zulu state, is boycotting the election.

The police said 19 people were killed in the region during the night from Saturday to Sunday, nine of them ANC supporters knifed or hacked to death in a single attack south of Durban.

The killings raised to 40 the number of people who have died in political violence since Mr. de Klerk declared the state of emergency last

Thursday in a bid to establish calm for the elections.

Mr. Mandela said soldiers needed time to bring violence under control.

"We shouldn't have exaggerated or unrealistic expectations," he said. "The security forces are busy establishing themselves and it might take some time before they actually master the situation."

He added that he hoped the state of emergency and planned meeting Friday would help solve the problem.

About 300 South African Defense Force reinforcements arrived in Natal on Sunday, bringing the total military contingent to 1,200.

Mr. Mandela said Saturday that he hoped the summit meeting, delayed from last week after 53 people were killed during an Inkatha march through Johannesburg, could lead to a quick lifting of the emergency rules.

An opinion poll conducted in three of South Africa's nine regions in early March and published Sunday showed that Mr. de Klerk's National Party had gained support in the last four months while backing for the ANC had slipped. The poll in the Sunday Times, conducted in

South Africa's most densely populated regions, supported a nationwide survey last week that showed the ANC could expect to gain at least 59 percent of the votes, less than the two-thirds majority pollsters had previously predicted.

A two-thirds majority would allow the ANC and its communist allies to re-write the interim constitution by themselves.

Shopkeepers and travel agents reported that many whites anxious about security during the election period were stocking up on food and candles or booking flights out of the country.

Gun dealers reported sharply higher sales of weapons and ammunition to both blacks and whites. Major political parties have called the panic unfounded.

The emergency regulations that went into effect late Thursday give the security forces broad powers to disperse crowds, arrest suspects without warrants and bar the carrying of weapons of any kind.

Mr. de Klerk's declaration was the first state of emergency decree since June 1990, when he lifted emergency regulations that had been imposed by President P. W. Botha in 1985 to quell anti-apartheid protests. (Reuters, AFP, AP)

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Herald Tribune

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Toward Israeli Withdrawal

Only weeks ago, in the wake of the outrage at Hebron, Israeli and Palestinian talks on autonomy in Gaza and Jericho looked to be in serious jeopardy. Now they are about to resume, with a promise of dramatic early results. Their swift resumption is a major development that marks a mutually reassuring wish for accord on both sides of the Middle East divide.

In a display of shrewd leadership, Prime Minister Yitzhak Rabin has been able to turn the Hebron tragedy to good political purpose. He used it to start isolating the defiant fundamentalist core of the Jewish settler community and to assert the interests of the Israeli mainstream that elected him. This is how Israel comes to accept a first armed international presence in the occupied territories and early deployment of Palestinian police in the intended autonomy area. It is how Mr. Rabin comes to start cracking the ice that keeps 400 ultra-Orthodox Jewish settlers living provocatively in downtown Arab Hebron. The new international presence amounts to 160 Europeans, with pistols, assigned temporarily to "monitor" Hebron. The Labor government saw it as a tactical, mostly symbolic response to resonant Palestinian cries for protection against the occupation. The Likud opposition denounced

it as an incursion on Israeli sovereign claims. These observers in Hebron will likely matter much less than the Palestinian police due to arrive in Gaza and Jericho next week as vanguard of the larger force that will protect Palestinians under autonomy. Israeli military withdrawal, meant to start last Dec. 13, has not yet begun. Still, Israel now pledges to try to meet the original April 13 target date for completion. All the tough issues involved in a final peace, including borders, security, settlements and Jerusalem, lie unresolved. Each side has its legion of doubters and armed non-compromisers. Yet it is good news that Mr. Rabin and PLO Chairman Yasser Arafat are riding out the Hebron storm and converting it to mutual gain.

The Israelis have had to make concessions, on the international monitors, the Palestinian police and the overall peace. The hard-pressed Mr. Arafat was forced to cut way back on the political compensation he sought to squeeze from Hebron. The key fact remains that both are now committed to deliver the first major tangible fruits of the autonomy talks: the onset of Israeli military withdrawal. For 800,000 Palestinians and in barely a week, a heavy and hated 27-year occupation is calculated to end.

—THE WASHINGTON POST.

A Trade Policy for Arms

The Clinton administration was expected to announce its policy on curbing arms sales last September. But it remains silent as Americans grab an increasing share — more than half, by the latest count — of the global arms market. It is time to seek limits on sales, starting with the most explosive regions, the Middle East and Asia. To be effective, such limits have to be adopted by other states as well.

U.S. domination of this shrinking market puts the administration in a good position to do something about that. It could start by curbing American sales and by getting arms-exporting nations to notify one another in advance of major arms deals, so that concerted diplomacy can head off dangerous transactions.

American industries have pushed arms exports to compensate for steep cuts in orders from the Pentagon. Defense Secretary William Perry has rightly warned U.S. arms makers against "chasing this illusion that foreign military sales are going to save the day for them."

But he has done some promoting of sales himself. Making an exception to Pentagon policy, for instance, he offered to sell radar-jamming devices to South Korea and Finland last year in order to secure deals to buy U.S. fighter planes. Last month the Pentagon spent more than half a million dollars to dispatch 20 top-of-the-line aircraft and 75 U.S. military personnel to peddle U.S. products at the Singapore air show, a major showcase for Asia's booming arms bazaar. In effect, the Pentagon is acting like a salesman for private industry.

American taxpayers foot a sizable bill to subsidize U.S. arms exports. According to William Hartung of the World Policy Institute, the government spends \$500 million a year directly on arms export promotion. It finances foreign arms purchases with an additional \$3.2 billion in grants and \$800 million in subsidized loans, and millions more in foreign aid to arms buyers — which really amounts to indirect subsidies.

To make purchases of U.S. arms attractive to foreign governments, some companies steer business to arms-buying countries that they would otherwise give to U.S. manufacturers. The biggest cost of all is that some of the arms may end up being used against U.S. troops.

The crucial next reform — advance notification of arms deals — is just the job for a proposed agency that would succeed COCOM, the Coordinating Committee for Multilateral Export Controls, which used to restrict high-tech trade to the Communist bloc. But a revamped COCOM will succeed only if it is broadened to include Russia and China. And Washington, which has alienated allies like Germany and Japan by trying to use the new body to isolate Iran, would be better off abandoning that cramped focus and addressing arms trafficking elsewhere as well.

The administration needs to devise a policy far more selective about the arms it sells and the countries it sells to. And it needs to enlist the other major exporting nations in a worldwide clampdown on this deadly trade.

—THE NEW YORK TIMES.

Keep Rangoon Isolated

The Clinton administration has chosen a difficult moment to jack up a diplomatic campaign to increase the isolation of the military regime in Burma. The effort is unfolding as Communist China, which had no difficulty embracing the regime from the start, extends its economic ties. The prime minister of Singapore, like China a purveyor of arms to the generals in what they call Myanmar, has just become the first head of a foreign government (except for Communist Laos) to visit Rangoon since the armed forces crushed a pro-democracy uprising four years ago. Thailand is reported to be inviting Burma to attend July's meeting of the Association of South East Asian Nations.

Not China, which can hardly care about the nature of the regime, but the other countries moving to take military-ruled Burma into the regional fold produce a familiar argument. It evokes the American debate on China. "Constructive engagement," as it is called, offers the people of Burma trickle-down benefits as the regime moves into a free market phase, and eventually the regime itself will soften.

In the abstract, this argument always has allure for its promise, automaticity and painlessness. In the specific Burmese circumstances, it has a cynical aspect. In the 1980s Burma was

setting out on a viable democratic path. The generals rudely took Burma off it. But even today a face-saving exit from authoritarian rule is available. The junta could don a patriotic cloak and open a political dialogue with the imprisoned authentic opposition leader Daw Aung San Suu Kyi, a Nobel peace laureate.

The U.S. government realizes that other countries are broadening their connections with Burma. It means to avoid the ineffective symbolism of unilateral economic sanctions. The theory is that a show of reasonableness, but impatient reasonableness, may induce Burma's trade and investment partners to draw it onto the political road with Daw Aung San Suu Kyi. Regardless, it is worth keeping pressure on a repressive regime that, in addition to its crimes against its own people, maintains ties with the drug traffickers responsible for most of the heroin that arrives in America.

"Constructive engagement is not constructive," a politician from Daw Aung San Suu Kyi's party said recently. "It's destructive opportunism. We are in a time of trouble, and when the government is oppressing its own people, [other governments doing business with the regime] shouldn't do it."

—THE WASHINGTON POST.

For Clemency in Singapore

For spray-painting cars and other vandalism, Singapore has sentenced an American teenager to six lashes of a bamboo-like cane. This is no minor corporal punishment. The cane delivers skin-splitting whacks so excruciatingly painful that strong men pass out in a state of shock. If Michael Fay, the convicted 18-year-old, does lose consciousness, standard practice would be to revive and re-tether him to complete a flogging certain to leave permanent scars on body and spirit.

Singapore, an ultramodern, order-conscious city-state, has the undoubted sovereign power to carry out this brutal punishment on a young visitor who engaged in mischief. But it would shock many Americans and people everywhere who value humane punishment. President Bill Clinton has rightly reached out to seek some form of clemency.

Is there brutality elsewhere in the world? Of course. The United States, with a Congress spoiling to add dozens of death penalties to the lawbooks, joins Singapore and only a handful of other advanced countries that cling to capital punishment. That makes the United States an odd nation to argue for civilized penalties. Yet this grossly disproportionate flogging punishment, akin to torture, cries out for condemnation.

Singapore officials defend their ancient penalty and ridicule Americans for tolerating graffiti-soiled cities. Overkill can indeed be a powerful deterrent and keep the streets clean, but such superficial neatness can mask a repellent sense of justice. The brutality that Singapore threatens to inflict would be felt all over the globe and rebound to its shame.

—THE NEW YORK TIMES.

A Lesson for Clinton in the Nixon Parallel

By Jim Hoagland

WASHINGTON — Did America, thinking it was electing John F. Clinton, get Richard M. Clinton instead? Horrid question, be the Nixonian or Clintonesque. But it rises from the Madison-Whitewater-Red Bone swamp, a murky and expanding territory located at the confluence of money and power as it flowed through the state of Arkansas a decade and more ago.

The latest Washington buzzword in the ongoing, unrelenting spilling out of the Clinton family saga — which connects Balzac to "Days of Our Lives" via Robert Penn Warren — is "legitimacy." The unlikely Nixon-Clinton comparison is spun around this word by some of the capital's political cognoscenti.

The most cogent version goes like this: Just as a large segment of liberal political opinion never could accept Richard Nixon as a "legitimate" president, neither can a large segment of conservative political opinion today accept Bill Clinton's legitimacy, no matter what he does.

In two administrations separated by a political generation, four other presidents and a Cold War, opponents do not simply disagree with or dislike the politics of the commander in chief. They believe that his past behavior has disqualified him from the office he has somehow gained. He is not simply to be opposed, but to be brought down, or at least bloodied and nullified.

Mr. Nixon's slash-and-burn politics, Red-baiting and smarmy sanctimony earned him the undying enmity of otherwise tolerant liberals long before he turned the crime of Watergate into a fatal political blunder.

For Mr. Clinton, draft dodging, taking on a marijuana cigarette and a family life that he acknowledges has not been perfect create the same effect — he is unable to establish moral authority with opponents who might otherwise be open to his centrist style and policies.

The comparison would be unacceptable to both men. Mr. Clinton came to office consciously modeling himself on John F. Kennedy. But the continuing fallout of the Bold and the Beautiful Back Home in Arkansas carries Nixonian traces.

Mr. Clinton seems thus far unable to rise above this debilitating controversy. He is mired in a running battle with critics and media on their level, running corner after corner only to find new machine gun nests going up on the next street.

The Clintons remain at the center of the controversy. It was not in Mr. Nixon's nature to move into the shadows if a fight was at hand. The Clintons also seem to be uncomfortable if they are not at the center running things, even when it means being in the line of fire.

They do not deflect, one of Mr. Kennedy's

favorite maneuvers. Kennedy the politician was like the morning dew, liquid and unseizable. Mr. Nixon and Mr. Clinton, different as they are as individuals, are both political whirlpools, drawing all in toward their personal vortexes.

Like their opponents — and their supporters — they see political combat in extremely personal terms, enraged that their families as well as themselves draw fire. And like Mr. Nixon, Mr. Clinton sees — correctly — that a certain part of the electorate will treat every act by him as illegitimate. Many conservatives do not believe that he deserves morally to be president.

The Nixon presidency, with its enemies list, demonstrated the dangers of exaggerating how large a slice of the opposition such people represent. Disaster lurks in believing that all opposition or criticism springs from personal animosity and believing that only a conspiratorial questioning few can be trusted. Down that road lies the poisonous atmosphere of a royal court and the self-defeating obsession of oaths managing and leak plugging at all costs.

The disclosures about Hillary Clinton's money-making flair in playing the cattle futures market with the help of broker Robert L. "Red"

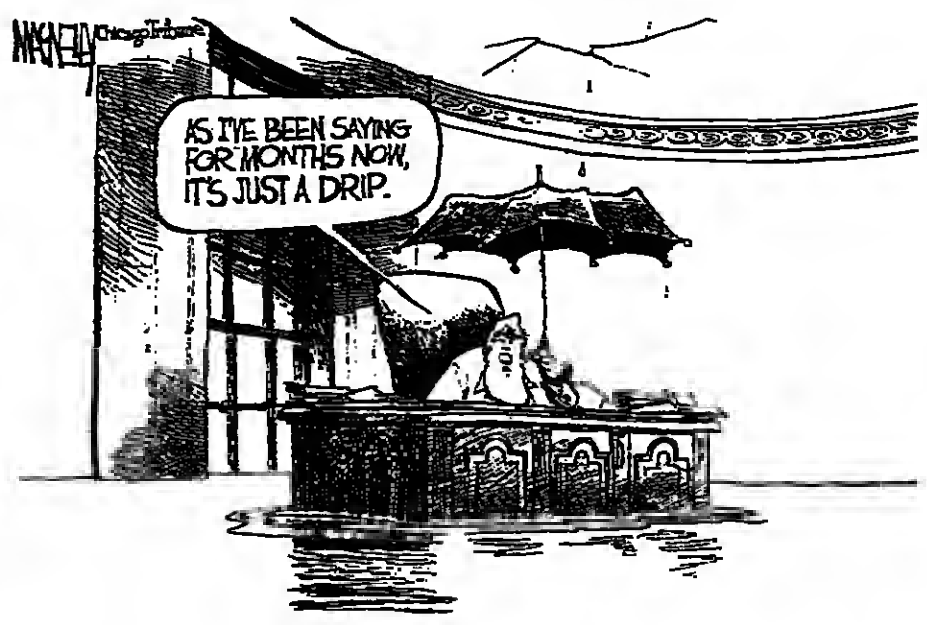
Bone add fuel to the bonfire of moral vanities that Clinton critics are building. How dare Bubba and Bride lecture us about greed? ask Ronald Reagan's friends.

Here a Nixon analogy may be helpful to the Clintons, now that they have been forced to disgorge information both on Whitewater losses and on Red Bone gains that they kept out of the 1992 campaign. If the Clintons had a sense of irony, this modest proposal might have appeal:

Instead of running away from a \$100,000 profit that is proof of Hillary Clinton's business acumen, the president and the first lady should flout it — treat it like Richard Nixon going to China. He adopted his opponents' agenda, he disarmed them and kept his own supporters, who have become the champions of good relations with the Communists in Beijing. In like manner, perhaps liberal feminists may now see playing cattle futures as part of their self-fulfillment.

The key question is this: Would those who voted for Bill Clinton in 1992 change their votes now on the basis of the Madison-Whitewater-Red Bone disclosures? My guess is that most would not. For them, and for his opponents, Bill Clinton is still the one. And he still has time to prevent his presidency from ending in a political train wreck.

The Washington Post.



The Bottom Doll Is Explosive Russian Disillusion

By Brian Beedham

LONDON — The way things are these days, you can take your choice of Russian, from the Evil Empire, growing about pasty gloom, glooming at its rear abroad and demanding to be treated as the equal of America. There is Russia the Good Balkan Neighbor, helping to sort things out in Bosnia and Croatia. And there is Russia the Balloon About to Go Pop. The trouble is that the rest of us may have only a few months to work out which is the real Russia, and we had better not guess wrong.

The current favorite is the Russia that is apparently being so cooperative in the Balkans. The Russians have just negotiated a cease-fire between Croatia and the armed Serbs who occupy a third of prewar Croatian territory. Good. They had previously helped to make Bosnia's Serbs pull their guns away from Sarajevo, and applauded the American-organized reconciliation between Bosnia's Muslims and Croats. Fine. And all this, reassuringly, within a few weeks of the explosion of here-we-come-again nationalism that followed the success of the right in December's Russian elections.

So is this the Russia to put your money on? Maybe, but consider a

couple of reasons for being cautious before you place the bet on the table. One is the fact that it is still far from clear what sort of peace the Russians are trying to bring about in former Yugoslavia. The West wants a peace in which Bosnia's Serbs hand back much of the land they have captured, and in which both Bosnia and Croatia keep their prewar frontiers (while giving the local Serb plenty of self-government). The Serbs, on the other hand, want to stay where they are, and to keep open the door to a Greater Serbia that includes large chunks of Bosnia and Croatia.

Those are two radically different pictures of the future. Unfortunately, almost all the help the Russians have so far provided has been help in arranging cease-fires along the existing lines of battle. The existing lines mark the extent of the Serbs' expansion. To leave the lines unchanged would make the creation of Greater Serbia relatively easy. If this is how the war eventually staggers to its end, the West will not have got what it considers a just peace, the Serbs will say thank you to Russia, and the Russians will beam proprietorially.

There is anyway reason to wonder just how much the Balkans matter to Russia's new nationalism. The area further north, between Germany and Russia, matters far more, and here the Russians are being as uncooperative as ever. They have already stopped NATO from extending membership to Poland, Hungary and the Czech Republic. Now they may be successfully diluting the Partnership for Peace proposal that NATO has positively offered as an alternative.

The original aim of this proposal had been, in the NATO jargon, to "differentiate" — to offer the Poles, Czechs and Hungarians a much closer partnership with NATO than Russia got. It now looks as if the Russians, if they can overcome some of their own generals' opposition to any sort of link with NATO, will try to insist that there be no differentiation. If they succeed, they will have slapped a double veto on NATO.

Is the bear resurgent the true picture of the Russia that the West has to deal with? Well, here, too, yes and no.

To be sure, Boris Yeltsin and his people still stand on their own agenda of nationalism. The Russians insist that they have an "special relationship" with the other parts of the ex-Soviet Union. They claim their veto in Central Europe. They say that their voice must carry as much weight in the world as America's. Their ex-liberal, neoconservative foreign minister, Andrei Kozyrev, explains that Russia's interests will often differ from America's — meaning that Russia will then set out to block what America wishes to do. It is a long way from the arm-in-arm Russian-American fellowship that Bill Clinton was so recently counting on.

den new nationalism is so patently a reaction to Vladimir Zhirinovsky's success in the December elections. Mr. Yeltsin still beams and winks at Western visitors. And Russia so manifestly still does the West's goodwill. Even its conservative prime minister, Viktor Chernomyrdin, turned himself inside out last month to promise the International Monetary Fund that Russia would benevolently start to practice the economic virtues that the West has been urging upon it.

Here is the finger pointing to the third possible Russia, the one that could be about to burst. Behind the smile in Bosnia, and behind the scowl behind the smile, there may lie a breaking heart.

To get a paltry \$1.5 billion handout from the IMF, Mr. Chernomyrdin had to promise to get Russia's budget deficit under control. The facts make this look deeply unlikely. The proposed budget for 1994 already plans to spend half as much again as it reckons will be collected in taxes. But nobody believes the budget's calculation of tax income. The spending ministries are threatening to spend a lot more than the budget says they should. The anti-austerity parliament has yet to get its hands on the whole project. On this reckoning, the deficit will be even vaster than advertised.

To prevent that, Mr. Chernomyrdin would have to increase taxes and slash spending to an extent that made Russians even poorer than they are now, and put even more of them out of work. But if he does not stop it from happening the result will be yet more poverty and the unemployment still more appalling. Either way, the result could be an explosion of rage.

It is hard to resist the suspicion that, while we outsiders fuss about Russia's behavior abroad, something is approaching inside Russia itself that makes concern about its foreign policy seem academic. A country going through an internal crisis as big as the one that could be about to hit Russia may be in no condition to have any serious foreign policy. It may have to withdraw from the world until it has sorted itself out.

It is those Russian dolls again. The object on display presents the cheerful face of Deputy Foreign Minister Vitali Churkin going about his peacemaking business in Bosnia. Lift his head, and underneath you find the grimacing visage of Vladimir Zhirinovsky. Lift his head, too, and at the bottom there is a stick of dynamite, with fuse lit.

International Herald Tribune.

RUSSIA today has neither aspirations or resources to again become a global rival of the United States — not today and not tomorrow. But Russia cannot be an American satellite, either. By virtue of its size and resources, Russia remains a great power with many legitimate interests in adjacent regions. These interests for the most part do not conflict with America's, and many are quite compatible with them.

This has been the case historically. Pre-Soviet Russia and the United States were among the very few great powers that never fought each other and cooperated more than they competed. Now, after the aberrations of the Cold War and its aftermath, we are returning to this historical norm. In fact, we can improve on it, since the new Russia is closer to the United States politically and culturally than its predecessor. But Americans and Russians have to rediscover this historical norm and learn to live with its ambiguities.

— Vladimir Lukin, a former ambassador to the United States and now chairman of the foreign affairs committee of Russia's parliament, commenting in The Washington Post.

A U.S. Tempest in a French Demitasse

By Jacques Toubon

The writer is French minister of culture.

PARIS — The French and many other Europeans, as well as the Japanese, often have unfair impressions of the United States. And vice versa. American press comments about France, especially when it is preparing to adopt a law on the use of the French language, generally have been amusing.

You would think we were declaring war on English words by expurgating them from the French language, and even preparing to send violators to prison, as some news services have incorrectly reported.

True, in France we would rather use "logiciel" with our "ordinateur," rather than software with our computers, yet the main problem lies not with the infiltration of English words. It is therefore a pity that focusing on such trivial things distracts everyone from the essence of the debate.

I would like to reassure our American friends. France is merely taking measures that everyone else took a long time ago and that exist in part in European Union language regulations — namely, to require the use of the French language in France.

So that employees can understand their work contracts and so that product instructions and safety warnings are written in the language of the consumer and the worker. So that a scientist at a colloquium is not asked to decide if he

of languages — not their quality — is a legitimate subject of public policy, like other issues, and that political leaders have a responsibility to mandate certain requirements.

Why should the French and the other Europeans not have the same linguistic rights? Unless one implicitly considers that the world's citizens have no right to wish to speed their lives using any language other than Anglo-American.

Admittedly, Americans may have some difficulty in understanding that a problem exists. Europeans would not assume that Americans, who are known for not being too open to foreign cultures and for pursuing their own cultural protectionism, understand foreign languages. Many Americans, on the contrary, often forget that one has the right in other countries not to understand their language and to speak another one.

It is hard to imagine that anyone would find the French government's proposals anything but eminently logical. Yet they have caused impassioned comment in America.

This is proof, contrary to some commentators, that what France does still generates interest in the entire world. It is probably because France defends a certain concept of freedom and diversity that some people are troubled.

France remains, to paraphrase Charles de Gaulle, the country that sometimes feels compelled to say "no," not out of egotism but out of a sense of what is right.

The New York Times.

A Chance For Labor In Asia

By Takashi Iizumi

The writer is general secretary of the ICFU-APRO, the International Confederation of Free Trade Unions, Asia and Pacific Regional Organization.

SINGAPORE — Proposals by developed nations led by the United States to include a "social clause" linking trade and labor standards in the final declaration of the Uruguay Round global trade pact due to be signed in mid-April in Marrakech, Morocco, have aroused strong opposition from developing countries in Asia and elsewhere. Many fear that such a link would turn out to be a disguised form of protection in Western markets against imports from economies with lower labor costs.

The ICFU-APRO, which represents free trade unions in 28 countries of the Asia-Pacific region, believes that it is now possible for developing states to agree in Marrakech on how a proper study of anti-protectionist social clause could be conducted. Such a clause would improve the legitimate interests of workers.

The ICFU, whose affiliated trade unions in 120 countries represent more than 120 million workers, has studied how a linkage between workers' rights and trade could be established. Rather than opening the way to protectionist measures by rich countries against low-cost exporters, this linkage would strengthen the system of open trade which the Uruguay Round aims to enhance.

Members of the new World Trade Organization — which will take over from GATT in 1995 as a watchdog with enhanced powers to safeguard and enforce the rules of global commerce — should agree to apply a list of basic International Labor Organization standards. The ILO is the UN specialized agency on labor matters. Its standards, if applied, would combat exploitation of workers and establish minimum rights for them to have a say in how their conditions of employment are decided.

The ICFU-APRO does not think that it is possible or desirable to set a worldwide minimum wage. Negotiations between employers, unions and governments within countries, which take into account productivity and other factors, are the best way to ensure that as trade and development progress, wages and other conditions of work improve.

What needs to be agreed upon globally is that discrimination, forced labor, especially by children, and restriction on workers' ability to form free trade unions to bargain with employers are unacceptable in an increasingly global market. Developing countries in Asia that are trying to improve the conditions of workers are in fact the most vulnerable to effects of such practices on the competitiveness of their products and services.

Standards in these areas have been defined by the ILO. It also has a sophisticated procedure for monitoring application of these principles and helping its member states to put them into practice. When the new World Trade Organization takes over from GATT, it should build on the ILO's long experience and establish a mechanism by which its members agree to strengthen application of labor standards.

In doing so, it would ensure that any unilateral protectionist measures were subject to a clear multilateral discipline in which developing countries would have a strong voice. This would strengthen free trade and open market access. It would ensure that as trade grows, workers in developing countries share the benefits of growth.

The ICFU's proposals meet fully the concerns expressed recently by Peter Sutherland, the director-general of GATT, about those who are trying to erect barriers against imports from developing countries. Mr. Sutherland has opened the way for a serious, rational negotiation on social matters in the post-Uruguay Round trade agenda.

Just as a consensus for the discussion of the relationship between environmental issues and trade has been acknowledged, it should now be possible for developing countries to agree in Marrakech on the terms of reference for a study of how an anti-protectionist social clause would work.

Reports of the position that the European Union is preparing to take on workers' rights at Marrakech indicate that many industrial nations recognize that an equitable balance must be found with the developing countries as a matter of urgency.

Asian states should now seize the opportunity to definitively and fairly the social principles to underpin liberalization of world trade.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Furious Artists

NEW YORK — An outrageous article appeared in the Chicago Times in regard to Mmes. Melba, Calvé and Nordica, charging that they accepted entertainments by prominent society men. The artists are furious. Mme. Melba threatens a suit against the paper for \$100,000 and says she did not even know the men. Mmes. Calvé and Nordica are indignant and demand retractions. "I can't write English," writes Mme. Calvé, "but I tell you in good French that I can't find words strong enough to characterize the calumnious article." Mme. Nordica is equally vigorous, and declares there is not a word of truth in the defamatory story.

1919: Council's Progress

PARIS — The Council of Four was extremely active yesterday [April 3], holding two meetings, one ... at which the questions of reparations and of Poland were discussed, and

another ... during which the Yugoslav situation was presented, Signor Orlando, the Italian Premier, absenting himself during this phase of the discussion. The matter of reparations is slowly but surely approaching an agreement, and it was learned yesterday that it has been virtually agreed to make Germany pay a stated sum each year until the total bill of damages is settled. The amount of the indemnity will be agreed upon within a few days, it is said.

1944: American Apology

WASHINGTON — [From our New York edition:] Secretary of State Cordell Hull expressed today [April 3] my own and all Americans' deep regret over the tragic bombing by American planes of the Swiss city of Schaffhausen on Saturday [April 1], and pledged that the United States government "will make appropriate reparations for the damage resulting from this unfortunate event in so far as that is humanly possible."

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RUSSIA: Debate on Arms

Continued from Page 1

forces that could be stationed in Russia's southern border area. U.S. officials said.

"On the positive side, they profess a commitment to the integrity of the treaties and have shown flexibility offering ideas for change," said a ranking U.S. official. "On the other side of the ledger, none of this is acceptable. All the Russians' suggestions to date still allow too much on the flank in the eyes of most NATO countries."

Another official remarked: "They are not reacting positively to the pressure we are putting back on them to forget about the idea of changing the flank limit. That does not give you a warm and fuzzy feeling."

To address Moscow's concern about instability in border regions, one important exception was included in the accord. Under the treaty, Moscow can keep an unlimited number of armored personnel carriers on its flanks if they are manned by its internal security forces and not by its regular army units. The exception does not apply to tanks and artillery pieces.

But the Russian Army does not like the idea of turning over its armored personnel carriers to the interior security forces.

U.S. officials say the Russians are reducing their overall number of weapons as the treaty requires. But Washington is worried because the Russian military seems determined to keep funneling forces into the Caucasus region and is not making compensatory steps to stay within the overall flank limit by reducing excess forces in the north.

While the limit does not take effect until November 1995, redeployment of troops is complicated and costly, and the Russians are not investing in the infrastructure that would be needed for the northern troops that would have to be pulled back.

According to a classified projection by U.S. intelligence analysts, Russians will have at least 2,000 armored personnel carriers, 400 tanks and 500 artillery pieces more than the flank limit allows if they keep to their current course.

That estimate reflects the shift of forces to the southern area as well as the failure to make cuts in the forces already on the flanks.

Malaysia Sticks to U.K. Ban

Reuters

LONDON — Prime Minister bin Mahathir Mohamad of Malaysia said Sunday that his ban on awarding government contracts to British companies would stand until the British press apologized for allegations of corruption. The ban was imposed in February.



A group among 3,000 Russian nationalists and communists gathered Sunday near the White House, the Russian parliament building, in Moscow to mourn victims of the failed October 1993 coup.

CRIME: Russian Criminal Gangs Take On the West

Continued from Page 1

committed suicide in prison, one of the Armenians said he had been sent by his government to dissuade the Russians from going forward with an illicit missile deal in Europe related to the war between Armenia and Azerbaijan. Mr. Woodward said. The second Armenian made no statement in his defense and was sentenced to life in prison.

In New York last year, two members of a Russian immigrant group and a pair of Italian-American organized crime figures were convicted of working together to import large amounts of heroin into the United States. The cases have led investigators to believe that the Russians are becoming formidable rivals to the Sicilian Mafia and, in some instances, collaborators.

German law enforcement agencies continue to confront scores of

cases involving Russians and East Europeans engaged in illegal weapons trafficking and the smuggling of low-grade nuclear materials for sale in the West.

Agents of the U.S. Drug Enforcement Administration and other law enforcement officials say a pattern also has emerged in which Colombian cocaine exporters, seeking to expand their multi-billion-dollar markets in Europe, are routing their product through Russian organized crime partners.

Growing political turmoil, the convertibility of the Russian ruble and the relaxation of strong border controls have produced rising drug trafficking in and through Russia, the U.S. State Department reported recently.

Colombia's dominant Cali cocaine cartel has had a relatively difficult time in securing direct

routes for cocaine smuggling to Western Europe because, unlike in the United States, there are not enough expatriate Colombians to provide secure networks on the import side, investigators say. Thus, the Colombians require partners.

This trend was highlighted by the seizure of a metric ton of cocaine in St. Petersburg last year. Investigators said the drugs were produced by the Cali cartel and imported by Russians for eventual shipment to Germany.

Though Russians are acquiring the most substantial financial assets, crime groups from Ukraine, Belarus and Poland are also becoming significant players in the West, Mr. Freeh and other officials said. One difficulty is that the police in these countries lack the resources to be of much help to their Western counterparts.

CLINTON: What Kind of Place Is the White House? A Loose-Ends Shop

Continued from Page 1

Rodham Clinton circles of authority, campaign veteran circles of authority. Friends of Bill Clinton circles of authority. Vice President Al Gore circles and a half-dozen alliances and a dozen back-channel lines as well.

The White House counselor, David R. Gergen, was asked last week whether he had been pushed outside the loop because he ran into trouble with Mrs. Clinton when he argued that the Clintons should disclose more of their personal financial data. "There are loops and there are loops," he answered.

The members of the loops keep changing. In little over a year, one deputy chief of staff, Roy Neel, has left; one, Mark Gerson, moved on to be communications director; two new ones, Philip Lader and Harold Ickes, were added. The personnel director, Bruce Lindsey, turned into a roving adviser; the communications director, George Stephanopoulos, turned into a senior adviser. Mr. Gergen was brought in, heavily utilized, then isolated, and now resurrected as part of the Whitewater defense team.

The top three jobs in the counsel's office have changed hands; the legislative shop has changed hands; the scheduling, political affairs and intergovernmental affairs operations have changed hands. The national security team has been reconfigured to add a new secretary of defense, and a team of media advisers is being added at the White House in the national security area. Extensive reworking is said to be going on there at lower levels.

"You and I are accustomed to Republican White Houses where there is a hierarchy, where there is a chain of command, where there are consequences for screwing up and where everyone knows who reports to whom," said a Republican familiar with the Clinton operation. "President Clinton didn't want that kind of White House. And he sure didn't get it."

That so many advisers have kibitzing rights with Mr. Clinton is evidence of the freewheeling Clinton White House. So are the three senior advisers — Mr. Stephanopoulos, Mr. Gergen and Mr. Lindsey — with no line authority. Relatively junior staff members can bend Mr. Clinton's ear almost at will because the president is said to like such discussions.

"You want to know what model this White House follows?" an aide said. "Well, you aren't going to find it in Presidential Quarterly. You aren't going to find it in period. It's the Bill Clinton model."

Mr. Gergen, who served in three Republican White Houses, said, "Democrats have a different concept" of how to run things. But he added that, fundamentally, "Staffs are a reflection of the desires of the person in the center."

The person, this president, likes a staff in which many diverse views are expressed," he said.

Mr. McLarty, the chief of staff, said that Mr. Clinton should be judged by his results in legislation and in the state of the nation and the world, not by episodes of trouble. He and Mr. Gergen point to last year's budget agreement

and approval of the North American Free Trade Agreement, plus lesser successes, as well as the introduction of health care reform, the work this year on education, crime and other issues as evidence that however messy the Clinton operation looks, it is effective.

No one disputes that how the White House runs is important. In an era in which the White House has become a complex and central place for the making and execution of policy and the focus of increasingly huge amounts of media attention, the White House operation has been seen as vital to presidential success.

But Mr. Clinton, his aides have said, gave significantly less thought to the White House staff than he did to the cabinet. Mr. McLarty, in large measure, did not select the staff he oversees, many of whom have relationships with the president or first lady that put them outside of his control.

It is not always easy to figure out what Mr. McLarty does. His advocates say that is because one of his major roles is giving private advice to Mr. Clinton at difficult times.

Much of the work of the White House seems to go on without Mr. McLarty's direct involvement, which he suggests is the way he planned it.

"Information does flow through my office," he said. "I know what's going on," he added, insisting that he could intervene if need be.

With each controversy, the question for the White House has been: Who's in charge? The answer has been: On what subject?

REFUGEES: Evacuation Is Set

Continued from Page 1

in the former Yugoslavia once an agreement was reached.

(Reuters, AFP)

■ Prijedor Toll Is Put at 19

Chuck Sudek of The New York Times reported from Sarajevo:

At least 19 Muslim and Croatian civilians have been killed since Wednesday in the Serb-held town of Prijedor.

Aid workers expressed fear that the decision to evacuate the threatened minorities could encourage national Serbs to mount new attacks on Muslims and Croats.

The aid workers also said they feared that a flood of desperate Muslims and Croats could pour into Prijedor from nearby towns where Serbian gunmen have for months used killings, rape and arson to pry them from their homes.

"I am sure the Serbs are not going to cry about it," said an aid worker. "The danger now is that this is a precedent. It may encourage the Serbs and encourage people to seek evacuation even if they are not under great duress."

"We want to avoid a stampede," he said. "We're worried that we could get a situation of crowds besieging us and getting out of control."

The planned evacuation from Prijedor would be one of the largest mass movements of people in the Bosnian war, which has uprooted about 2 million people and killed an estimated 200,000.

UN officials estimate that there are 3,000 Croats and 6,000 Muslims left in Prijedor and nearby villages. There are about 55,000 Serbs now living in Prijedor, which had a Muslim majority before the fighting began.

The Red Cross plans to bus those who wish to leave Prijedor north across the Sava River at Novska, where they will be handed over to the UN High Commissioner for Refugees for placement in camps in Croatia.

Red Cross officials confirmed that workers were already gathering buses in the Croatian capital, Zagreb, for the evacuation. During a similar, much smaller evacuation a year ago from the besieged Muslim enclave of Srebrenica, Muslims desperate to flee crushed each other to death in the rush to jam into UN trucks.

Speaking by telephone from Geneva, Thierry Germond, the Red Cross delegate-general for Europe, said that despite numerous promises, high-ranking and local Bosnian Serbs had not acted to quell months of brutal violence against minority group members in northwestern Bosnia.

"Our objective is to grant protection to the people where they are," Mr. Germond said. "Now one has to recognize that our efforts in this area have not been a success. The international community has not been able to guarantee a basic security in spite of numerous approaches."

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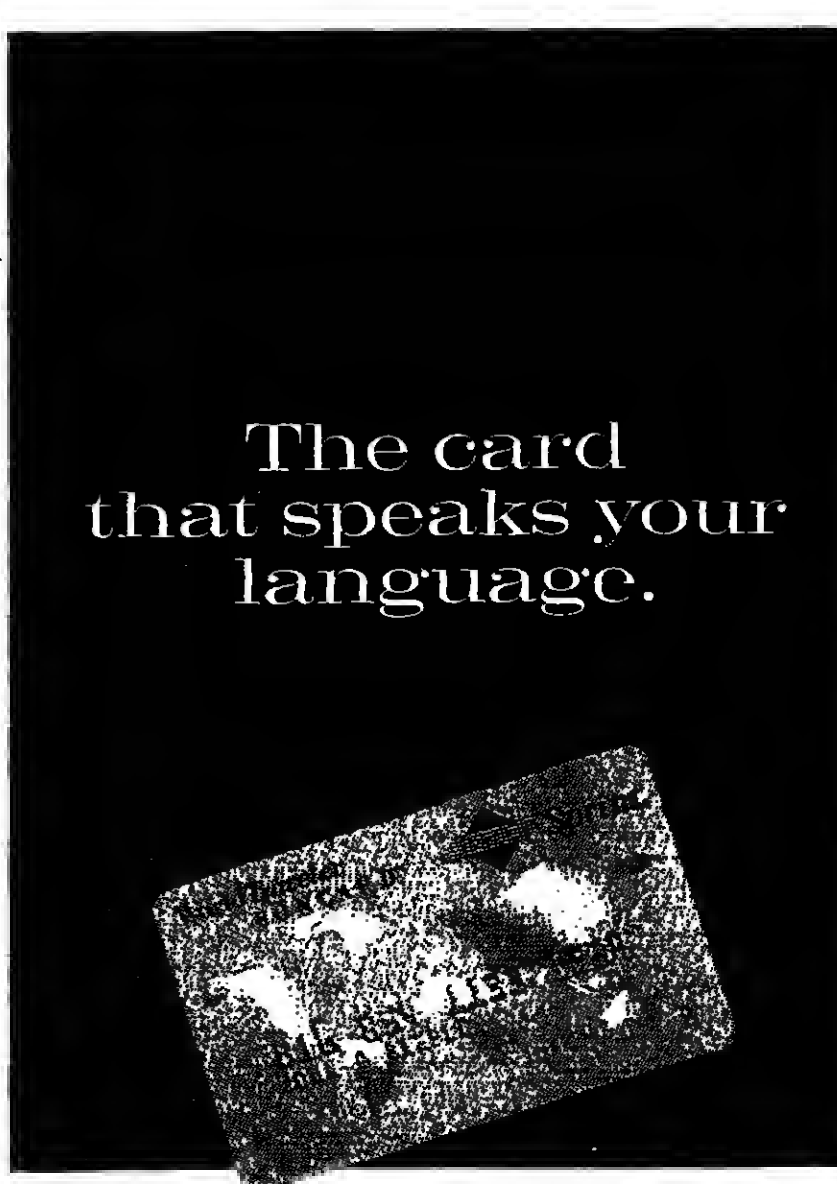
How does it feel? The fact is, refugees are just like you and me, except that they have nothing. And that's exactly what they'll always have unless we help. We're not asking for money (though every cent helps), but only this:

When you do meet a refugee, imagine for a moment what it must be like, and then show her your smile. Instead of your back. It may not seem much. But to a refugee it can mean everything. UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.



United Nations High Commissioner for Refugees

UNHCR Public Information
P.O. Box 2500
1211 Geneva 2, Switzerland



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1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	9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BY AGENT

BUSINESS

International Herald Tribune, Monday, April 4, 1994

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CAPITAL MARKETS

U.K. Bonds Led the Rout In the Year's First Quarter

By Carl Gewirtz

International Herald Tribune

PARIS — This year's first quarter will undoubtedly go down in history as one that bond investors would like to forget. All 13 major markets in J.P. Morgan & Co.'s government bond index measured in local currency declined in value — ranging from just 0.12 percent in Italy to 6.7 percent in Britain. The U.S. market ranks eighth worst, with a loss of 2.7 percent.

In terms of new-issue volume, it was the second-most-active quarter in history. Data provided by Salomon Brothers Inc. shows \$134 billion of new issues on the international market, down only 7.6 percent from the year-ago first quarter thanks to a record burst of activity in January.

In recent weeks, issuance has slowed dramatically. Neither shell-shocked investors nor underwriters are willing to commit new money to markets that do not yet appear to have hit bottom.

Issuers, meanwhile, have no incentive to try to force themselves on an unwilling market as most believe the deterioration in absolute borrowing levels (rising yields) and relative terms (widening spreads to government benchmarks) are not justified by underlying economic fundamentals.

Although prices on most European markets rallied sharply on the last day of trading, analysts are unwilling to say the sell-off is over. Kim Schoenholz, London-based analyst at Salomon Brothers, said "the elimination of the many uncertainties now plaguing the market are the key to fostering a favorable bond market." Those worries, he added, center on the strength of the U.S. recovery and the impact on inflation as well as the inflation outlook in Europe.

"Markets will continue to trade nervously, with a bias to lower prices," said Malcolm Roberts of Union Bank of Switzerland, also London-based. "Although fundamental value is good in Europe, a key condition for a recovery in bonds is that the Bundesbank signals its latest shift to ease less obliquely."

Over the past month, the German central bank has allowed the key money-market rate to decline in small steps by a total of 24 basis points, nearly a quarter percentage point. Nevertheless, there remains considerable confusion about the size and timing of future reductions and a clearer signal is needed to convince markets that German — and subsequently all European — rates are headed substantially lower.

Even then it may be difficult to get a sustained rally under way. Jan Leys at J.P. Morgan in London warned of strong headwinds: Many investors are only waiting for better prices as an opportunity to sell, and borrowers who have been forced by market conditions

See BONDS, Page 11

Executives Step Aside In Inquiry at Woolworth

Reuters

NEW YORK — The chairman and the chief financial officer of Woolworth Corp. have temporarily resigned pending an investigation into accounting irregularities, the retailer said on Sunday.

Woolworth had announced Thursday that it would initiate an inquiry, by a special committee of outside directors, into previous accounting procedures. It added that in this connection it would restate its financial results for the year ended Jan. 29 to "correct gross margins."

On Sunday, the company said William Lavin, the chairman and chief executive, had temporarily resigned pending the conclusion of the investigation.

Mr. Lavin, a former chief financial officer of the company, will be replaced by John Adams, who has been chairman of Woolworth's audit committee and of the special committee of outside directors.

He is a director of CT Financial Services Inc. and is the former chairman and director of EMCO Ltd., in London, Ontario.

Woolworth added that Charles Young, senior vice president and chief financial officer, had voluntarily relinquished his positions on the same basis. No replacement was named for Mr. Young.

Mr. Lavin and Mr. Young denied any wrongdoing.

After Woolworth's announcement Thursday, two of its factors — the credit intermediaries that guarantee payment to its suppliers — reportedly advised the suppliers to halt shipments.

But the company said Sunday that it had been in touch with its major suppliers, all of whom indicated they will continue to ship to the company, and that creditors had confirmed its existing credit lines.

Woolworth repeated a statement made Thursday that the investigation was expected to have no material effect on its financial position.

Small Investors Fight Back Panic

By Jerry Knight and Maryann Haggerty

Washington Post Service

WASHINGTON — After anxiously watching the stock market for months and sweating through five difficult days as the Dow Jones industrial average slidded almost 200 points, Stacy Grant made her move: She switched her retirement accounts from mutual funds that invest in stocks to a money market fund.

"I wasn't going to sit there and get run over" the 36-year-old electrolysis technician said.

But now she wonders whether she did the right thing last week. "That might have been too hasty," said Miss Grant, who is still debating with her friends, her boyfriend — and herself — whether it was smarter to get out of the stock market now or to ride through this down cycle.

A three-year surge in the U.S. stock market, combined in an unprecedented way with historically low interest rates paid on bank savings accounts and certificates of deposit, lured millions of small investors into the market, many for the first time.

Now, with professional analysts uncertain whether last week's slide marks a short-term decline in an otherwise rising market or the beginning of a long, sustained decline in stock prices, many of these market amateurs share Miss Grant's dilemma: What now?

The day she got out, Thursday, blue-chip stocks managed a small gain, but the Dow still was down 139 points for the week. The next day, when the stock market was closed in observance of Good Friday, a stronger-than-expected government report on new jobs triggered another round of rising interest rates in the bond markets. That, many analysts said, likely will send stock prices still lower when Wall Street opens Monday.

Interviews with more than a dozen Washington-area investors found that, for the time being at least, they are embracing the widely recommended strategy of holding stocks for the long run.

"Most of the people who try to time the market usually don't," said Steve Paulson, 62, a pharmacist. "They sell at the wrong time and they buy at the wrong time. Studies have shown that people who buy and hold do better."

See STOCKS, Page 11

China Waves the Weapon Of Import Restrictions

Lecturing Microsoft

A GATT Warning

Bloomberg Business News

BEIJING — A Chinese official has threatened to ban sales by Microsoft Corp. if the world's biggest software maker does not support Beijing's plans to promote domestic programs, the China Daily reported on Sunday.

Yang Tianxing, director of the computer department at the Ministry of Electronics Industry, was quoted by the official newspaper as saying that Microsoft products will be banned if they are not compatible with software standards being developed by the ministry and domestic producers.

"Microsoft can sell the English versions of its products in China and the localization work should be done by Chinese," the paper quoted Mr. Yang saying. "Microsoft should not do everything by itself."

Microsoft's chairman, William H. Gates Jr., traveled to Beijing two weeks ago to launch a Chinese-language version of an office applications program.

But Mr. Yang criticized Microsoft for refusing to cooperate in setting up a Chinese software standard rather than developing its own products, the paper said. It is not clear how much weight the ministry's policies carry.

The leading company in China's infant software industry, SunTendy Co., has developed a competitor to Microsoft's popular operating system Windows, called Chinese Star.

Mr. Yang said a Chinese version of Windows, launched in China by Microsoft six months ago, was banned. However, the China Daily said "unauthorized sales channels" rendered the ban ineffective. Within half a year, Chinese Star's market share dropped from

Agence France-Press

BEIJING — China will go only so far to ensure its entry into GATT and will revive import controls should its bid to rejoin the world trade body be rejected, an official newspaper reported Sunday, quoting a senior trade ministry official.

"The bottom line is equal treatment," said the foreign trade ministry's deputy director for international relations, Li Longzhou. He stressed that China was not so desperate that it would pay any price for membership in the General Agreement on Tariffs and Trade.

Mr. Li, quoted in the China Daily's Business Weekly, accused some of China's trading partners, especially the United States, of using the GATT membership issue to extract unreasonable concessions from Beijing.

While acknowledging that a rejection of China's bid would hurt the country's trade expansion and slow the pace of reform, Mr. Li said steps could be taken to ensure China's competitiveness if it were left outside the General Agreement on Tariffs and Trade.

"A passive return to import substitution in parallel with continued investment incentives may actually encourage greater foreign investment because local production would then be favored over imports," the China Daily quoted Mr. Li as saying.

Import substitution is a policy of restricting manufactured imports and encouraging domestic industry to make the products instead. It is considered antithetical to free trade.

"The world trade community has a choice between accepting China as an equal trading partner by granting it GATT membership, or competing for access to the Chinese market on a reciprocal basis," Mr. Li added.

The trade official also assailed the United States for

See TRADE, Page 11

In U.S. Business, John Welch Is a General's General

By Frank Swoboda and Warren Brown

Washington Post Service

WASHINGTON — As he works to resurrect the fortunes of General Motors Corp., John F. Welch Jr. often turns to an unlikely source for help: the General Electric Co. chairman, John F. Welch Jr.

Mr. Smith, GM's president and chief executive, is regularly on the phone with Mr. Welch, seeking advice on subjects ranging from corpo-

rate restructuring and management reorganization to labor relations, according to sources familiar with both ends of the conversations.

What makes the relationship unusual is that GE is a customer, supplier and, in some fields like locomotive manufacturing, competitor of GM.

Call it the CEOs' club, for the Smith-Welch contacts illustrate a larger point about management in the '90s. In today's increasingly competitive climate, traditionally isolated corporations are being forced to look outside to keep up with the best business practices.

This need for corporate outreach helps explain the parade of CEOs

to GE's Fairfield, Connecticut, headquarters to consult with Mr. Welch, an executive who has been through restructuring wars and prospered. Since taking over at GE 13 years ago, Mr. Welch has expanded its revenue from \$26 billion to more than \$60 billion, halved the work force and positioned the company so that every line of business is first or second in its industry.

The list of visitors includes such corporate figures as Louis V. Gerstner Jr., the new chairman of International Business Machines Corp.; John S. Reed, the Citicorp chairman; and George M. C. Fisher, who recently took over as chairman of Eastman Kodak Co.

When top executives are not asking to see Mr. Welch, he invites them over to share ideas. Mr. Welch long has preached the need for executives to get out into the world and see what works best and then borrow those ideas. He spends a lot of time visiting other companies.

The problems Mr. Welch faced when he took over at GE are much the same as those facing GM today: the need to cut the work force in half, close manufacturing facilities and attack a middle-management culture that rivaled that of the U.S. Postal Service.

Today, by Mr. Smith's estimate, GM is about 60 percent along the

way toward achieving its restructuring goals. In 1993, the company had its first profit in its North American operations in five years, eliminated thousands of jobs and closed some of the operations targeted in the restructuring plan.

Mr. Smith shares what an associate calls "a natural Massachusetts affinity" with Mr. Welch, both having grown up as the sons of Irish Catholic working-class parents in the state. Two years apart in age, they were students together briefly at the University of Massachusetts in Amherst.

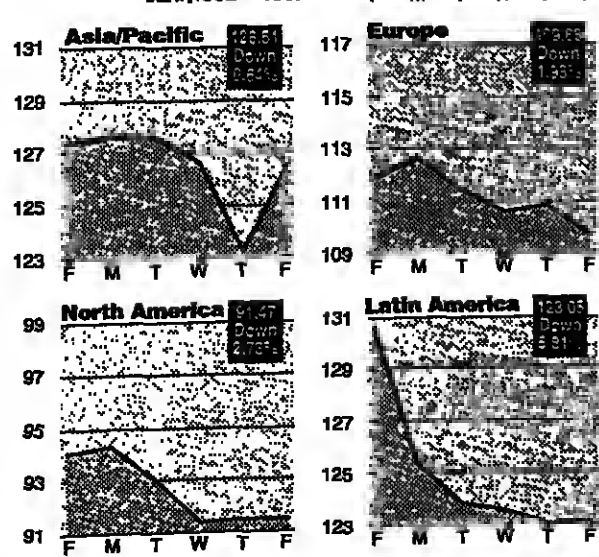
Mr. Smith's calls are coming as

See WELCH, Page 12

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending April 1, daily closings, Jan. 1992 = 100.



Industrial Sectors/Weekend close	4/1/94 close	% change
Energy	105.48	-11.53
Utilities	121.25	123.33
Finance	115.08	115.62
Services	116.47	118.42
Capital Goods	108.94	112.55
Raw Materials	116.37	122.39
Consumer Goods	95.62	97.40
Miscellaneous	124.74	128.50

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, and Venezuela. For Tokyo, New York and London, the index is composed of the 30 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

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CURRENCY RATES

Cross Rates	April 1/March 31
Australia	1.05 1.05
Belgium	36.24 36.24
Canada	1.00 1.00
Denmark	1.00 1.00
France	1.00 1.00
Germany	1.00 1.00
Italy	1.00 1.00
Japan	1.00 1.00
Netherlands	1.00 1.00
New Zealand	1.00 1.00
Portugal	1.00 1.00
Spain	1.00 1.00
Sweden	1.00 1.00
Switzerland	1.00 1.00
Taiwan	1.00 1.00
Thailand	1.00 1.00
UK	1.00 1.00
US Dollar	1.00 1.00
Yen	1.00 1.00

Paris Notebook Government Can Survive a Burn On Heavy Hand

Dirigisme, the French state's historic reflex to control the levers of capitalism, has not had a good name in recent years, and the scandal over huge losses at Credit Lyonnais certainly is not helping matters.

But specialists say the dirigiste roots run so deep in the country's power elite that when the storm clouds dissipate, dirigisme will emerge, once again, as the underlying force in the national economy.

Jean-Yves Haberer, former chairman of the state-owned bank, ignited the fire last week when he asserted that the institution's catastrophic losses were not all his fault, that the then-Socialist government that had hired him in 1988 had pressured him to support money-losing ventures in the interest of the economy and jobs.

John Stuart MacDonald, professor of international business at Kings College, University of London, said that the French state had long held a firm hand over the financial sector, and he doubted that the current debate would change that. He contends, in fact, that dirigisme in banking has worked well for the French economy, providing companies with low-interest credit which has helped stimulate trade and given a boost to export industries.

"It would be unwise to jump to the conclusion that the state-bank relationship should be abolished," Mr. MacDonald said. "Even if there was a popular will to do away with dirigisme, he said the reflex would take years, if not generations, to eliminate. Privatization would have only a minor effect."

One reason, he said, is that it would prove difficult to oust the *Entreprises*, officials who dominate the top financial and government offices. The name is taken from the French initials of the prestigious National School of Administration. "The *Entreprises* are unique, a caste of extraordinarily bright people who oscillate between the public and private sector," he said.

Another is cultural. "In France," he said, "it is taken as part of the furniture that social and political questions will be mixed into the economy."

Mickey Sidles Up to Paris

Euro Disneyland may be saved by last month's deal between bankers and Walt Disney Co. — the financial restructuring accord is still being studied by more than 60 banks — but its name could be headed for the scrap heap.

The company has quietly tagged on the word "Paris" to the park's name, and Paris Disney watchers suggest that within a few years the company will likely drop the "Euro" leaving just "Disneyland Paris."

"It's got to be Euro or Paris, it can't be both," said a marketing specialist. "They'll probably wait until people start calling it Disneyland Paris and then officially erase the 'Euro'."

A company spokesman said Paris was added to emphasize that the park, at Marne-la-Vallée, is very close to Europe's biggest tourist capital. He maintained that "dropping Euro is not being considered."

Across town, Canal Plus SA, France's pay-TV company, is also looking for a name for its new theme channel about European culture and lifestyle that does not have the word Euro or Europe in it. Michel Thiboult, head of theme channel development for the company, said market studies had shown that "Euro" was not appealing to foreign audiences. He said that using the name of a city such as Paris, Monte Carlo or Venice would carry a lot more punch. Suggestions are welcome. Stay tuned.

France as Retirement Haven?

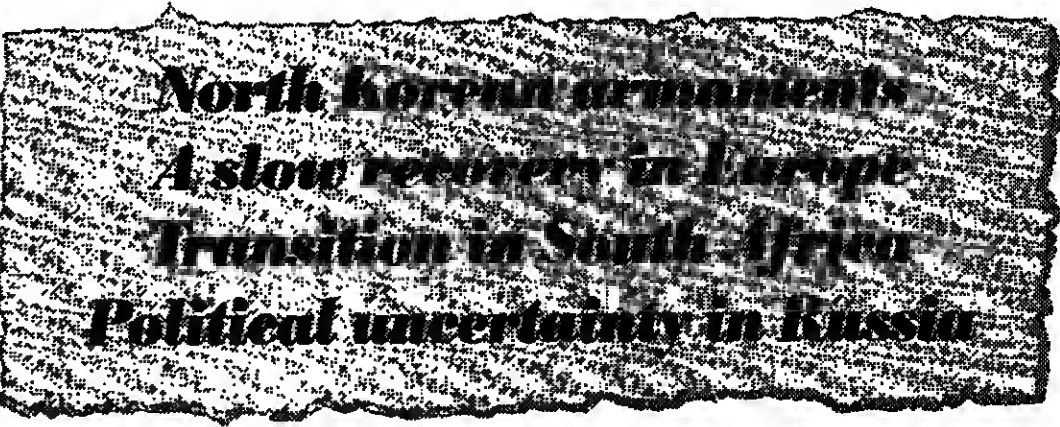
Governments of recent years have worked diligently to make France attractive for U.S. investment by relaxing fiscal conditions for American expatriate postings, but in doing so, they have accidentally made the country attractive for wealthy American retirees.

"France has turned into a retirement haven," said Jack Anderson, tax specialist at Ernst & Young in Paris. "It is encouraging Americans not only to work in France, but to retire there."

For example, he said, payouts from U.S. pension plans are exempt from French income taxes, as are passive earnings from U.S. investments such as capital gains, interest, dividends or rental income. Though this income must be included in French tax returns to figure the effective tax rate, if the retiree had no active income to report, his French tax bill would be zero.

Jacques Neher

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France	2,400	1,300	700
Germany	1,950	1,070	580
Greece	700	385	210
Great Britain	210	115	65
Italy	230	125	68
Japan	500,000	275,000	150,000
Luxembourg	14,000	7,700	4,200
Netherlands	3,400	1,900	1,050
Norway	3,400	1,900	1,050
Portugal	47,000	25,000	14,000
Spain	48,000	25,000	14,000
Sweden	3,100	1,700	900
Switzerland	3,500	1,900	1,000
USA	610	335	185
Rest of Europe & CEI	485	265	145
CEL N. Africa, Middle East	630	345	190
CEL S. Africa, Central & South America	780	430	235
Rest of Africa	900	495	270

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CHG 7/4

New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price and week	Terms
Fixed-Coupons					
Deutsche Finance Netherlands	Dm 1,000	1999	5%	101.32	Reoffered at 99.37. Noncallable. Fees 2% (Deutsche Bank)
Beta Finance	\$ 75	1995	7.30	103.73	Noncallable. Fees not disclosed. (Investment Capital Markets)
Atlas Capital	FF 4,500	1998	6%	99.90	Noncallable. Fees 0.25% (Banque Paribas)
Bank of Austria	m 170,000	2004	9%	100%	Callable at par in 1996. Fees 2% (Banque Commerciale)
Crédit Local de France	m 100,000	1999	7%	97.445	Noncallable. Fungible with outstanding issues, raising total amount to 300 billion francs. Fees 1% (J.P. Morgan)
ABN-Amro Bank	DF 500	2000	6%	100.21	Reoffered at 99.46. Noncallable. Fees 1% (ABN-Amro Bank)
Sweden	DF 400	1998	5%	100.28	Reoffered at 99.53. Noncallable. Fees 1% (ABN-Amro Bank)
Société Générale Australia	Aus\$ 75	1997	7	100.26	Noncallable. Fees 1% (Société Générale)
Mitsubishi Corp. Finance	¥ 10,000	1997	3.20	100.188	Interest will be 3.20% until July 1995, thereafter 4%. Callable at par in 1996. Fees 0.1875% (Mitsubishi)
Equity-Linked					
Global Mark Int'l	\$500	1997	3%	100	Interest will be 3% in first year, 5% in second year and 6% thereafter. Mandatory conversion into Indofed Sukuk Islamic stock of 7,992 Indonesian rupiah per share and at 2,142 rupiah per dollar 8 months after IPO. Fees 3%. Denominations \$10,000 (Jubel)

For Lots of Investors, It's Not a Pretty Sight

By Kenneth N. Gilpin
New York Times Service

NEW YORK — After playing host at a three-year party for the stock market, the Federal Reserve Board in the first quarter did what a former chairman, William McChesney Martin, once said the central bank inevitably had to do: It took away the punch bowl.

Not surprisingly, stocks were not ready for the music to stop when the Fed on Feb. 4 nudged up short-term interest rates, making it more expensive to borrow money.

It was not the sort of message that stock investors wanted to hear, especially after they had enjoyed a rally in the first quarter, with interest rates over the first three years of the decade.

As such, the first three months of 1994 ended on a decidedly more discordant note for the stock market than they began.

Analysts are now nervous about the stock market's outlook for the second quarter, following Friday's sell-off in Treasury bonds, which pushed the yield on the 30-year government issue to a 14-month high of 7.26 percent. Rising interest rates on bonds reduce the attraction of stocks for investors.

Bond prices fell, in thin trading, in response to the government's unexpectedly strong report on U.S. employment conditions in March. The stock market had no reaction; it was closed in observance of Good Friday.

The 30-year bond lost 1/32 of a point, to 87 27/32, and its yield rose from 7.08 percent on Thursday. For investors holding 30-year bonds, the price decline meant a loss of \$19.58 per \$1,000 invested.

Yields of other short- and intermediate-term Treasuries were also driven higher. The discount rate on three-month Treasury bills rose 13 basis points, or hundredths of a percentage point, to 3.60 percent. The yield on the five-year Treasury note rose to 6.43 percent, from 6.21 percent on Thursday, while the yield on the 10-year note jumped to 6.93 percent, from 6.73 percent.

The bond market was reacting to the fact that credit demand is alive and well, said David Shulman, chief equity strategist at Salomon Brothers Inc. For the stock market, he said, "that means Monday is not going to be a pretty day."

The first quarter was not pretty for stocks, either.

The steep rise in interest rates that occurred in the first quarter took a toll on a wide range of stocks, many included in the closely watched market indexes.

But the quarter was a good one for a large number of stocks, especially those whose fortunes are tied to a healthy economy.

Of the nearly 6,000 issues tracked by Media General Financial Services, more than 3,700 declined in value during the first quarter, while almost 2,100 moved higher. Just 163 emerged unchanged.

The brunt of the damage was done on the New York Stock Ex-

change, where declining issues outnumbered gainers by a ratio of more than 2 to 1. Losers also outnumbered winners on both the American Stock Exchange and the Nasdaq market, but by a much smaller order of magnitude.

That weakness dragged down the Big Board's important averages: the blue-chip Dow index fell 3.15 percent, the Standard & Poor's 500 index dropped 4.43 percent and the New York Stock Exchange composite index fell 4.29 percent.

More important, according to Mr. Shulman at Salomon Brothers, was the year-to-date change in the S & P 500 index. For the first time since 1990, he said, the index ended a quarter lower than it had been during a year earlier.

Among industry groups, the quarter's best performers were generally those closely tied to upswings in the economy, a group that included engineering and construction companies, semiconductor manufacturers and trucking companies.

Interest-sensitive stocks like those of U.S. savings and loan associations had a miserable three months, as did airlines, oil and gas drillers and houseware manufacturers.

Rising auto sales, a clear sign of healthier economic times, worked wonders for Ford Technologies, the Big Board's best performer during the quarter. Ford, an air-bag manufacturer, saw its share price rise nearly 114 percent in the quarter.

Many investors in emerging markets got roughed up, thanks to rising interest rates and political uncertainty. But people who had invested in two Hungarian telephone ventures were all smiles.

Hungarian Telecommunications was the best-performing stock in Nasdaq trading last quarter, rising by more than 240 percent. Shares of Hungarian Telephone, the other company, rose 88 percent.

In a quarter littered with losers, there were nevertheless some spectacular falls. On the Big Board, Pharmaceutical Resources saw its shares lose nearly half their value after price cuts hurt sales of generic drugs. Two companies that lost big postal contracts in the quarter, Electrocom Automation and U.S. Banknote, fared almost as badly.

BONDS: U.K. Led Quarter's Rout

Continued from Page 9

to postpone selling new paper will eventually have to come to market. The unwillingness to accept the sharp back-up in bond yields was demonstrated last week by Britain, which raised £2.5 billion via its first-ever sale of floating-rate notes paying interest at one-eighth percentage point below the interbank bid rate. Likewise, Belgium has refinanced only 58 percent of debt maturing in the first quarter with new bonds. The remainder was raised through the sale of short-term paper.

The only positive aspect to the first-quarter sell-off has been the increase in trading volume for the clearing systems. Partial data from the weekly figures provided by Brussels-based Euroclear indicates that secondary-market trading in straight Eurobonds, which rose to a record high last year, expanded a further 9 percent in the quarter just ended.

The data from Salomon Brothers shows the U.S. dollar's share of the overall first-quarter issuance at a relatively stable 43 percent. Sterling, however, catapulted to second place — its best ever — with a market share of just over 10 percent. But that turns out to be bad news for investors or underwriters holding inventory as the British market suffered the biggest drop in the quarter.

The Deutsche mark took third

place with a market share of 9.6 percent. The yen was a distant fourth with a 7.5 percent market share, followed by the French franc with 7 percent.

The Italian lira regained a 3.4 percent share that it first enjoyed in the second and third quarters last year while the Canadian dollar, with a market share of 3.4 percent, lost considerable ground from the average 6 percent it took all of last year.

According to the Morgan data, the British government bond market lost 6.7 percent in the first quarter, due mostly to fears of rising inflation and diminishing prospects for a cut in base-lending rates. Canada, next worst, lost 5.3 percent because of concerns over pending provincial budgets and a weaker currency. Australia was down 3.8 percent.

Japan, with a loss of 3.5 percent, was battered by prospects of increased heavy issuance as a result of the sharply widening budget deficit.

In the Netherlands the decline amounted to 3.25 percent and in the United States 2.7 percent.

France followed with a decline of 2.6 percent and then Sweden with 2.3 percent.

The German market lost 2.1 percent. Better performances were put in by Belgium, with a decline of 1.94 percent; Denmark, 1.34 percent; Spain, 1.33 percent; and Italy 0.12 percent largely because short-term yields did not rise as much as in Germany.

The Week Ahead: World Economic Calendar, April 4-9

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

• **April 8** Singapore: Nippon Credit Ltd., a local operator, closes initial public offering.

• **April 8** Australia: Retail sales for February. Forecast: Seasonally adjusted rise of 0.5 percent.

• **April 8** Sydney: Reserve Bank of Australia's March index of commodity prices. Melbourne: Australia & New Zealand Bank to release March index of job vacancies. Forecast: Rise of about 5 percent.

• **April 8** Wellington: New Zealand's gross domestic product for quarter to December. Forecast: Quarterly rise between 0.5 percent and 1 percent.

• **April 8** Hong Kong: American Indian Trade and Development Council leads a delegation of American Indian and Alaskan native representatives on a trade mission to Hong Kong.

• **April 7** Canberra: March jobs data. Forecast: Employment to rise about 13,000 and jobless rate to drop to 10.4 percent.

• **April 8** Canberra: February retail trade. Forecast: Rise of 0.5 percent.

• **April 8** Shanghai: Shanghai Automation Instrumentation, which manufactures measurement and control instruments, holds news conference ahead of its planned class-B share listing on the Shanghai Securities Exchange.

• **April 8** Hang Kong: U.S. mutual fund House Financial Investments holds news conference to discuss its global investment outlook.

• **April 8** Bangkok: Prime Minister Pongthep to open Australian-funded and-built bridge over the Mekong River between Thailand and Laos.

Europe

• **April 8** U.K.: Chartered Institute of Purchasing Managers survey.

• **April 8** Paris: Bank of France securities repurchase tender.

• **April 8** Stockholm: Swedish Riksbank board meeting.

• **April 8** London: March official reserve. Forecast: \$50 billion deficit.

• **April 8** Frankfurt: West German March unemployment. Forecast: Up 25,000; East German rate. Forecast: Up 0.4 percent in February, up 1.7 percent in year.

• **April 8** London: Factory housing starts.

• **April 8** Paris: Bank of France council meeting.

• **April 8** Paris: Industrial production. Forecast: Up 0.4 percent in January.

• **April 8** Athens: EU finance ministers meeting.

• **April 8** Frankfurt: Daimler Bank AG.

Americas

• **April 4** Caracas: Venezuela's collapsed bank Banco Latino to reopen for depositors who have as much as \$10 million in deposits.

• **April 4** Santiago: Chilean Consumer price index. Forecast: Up 0.6 percent in March, up 2.9 percent in year.

• **April 4** Copenhagen: Danish unemployment rate. Forecast: 12.3 percent in February.

• **April 4** Frankfurt: German railway four-year notice auction details to be announced.

• **April 3** Jefferson City, Missouri: Voters consider an amendment to state constitution that would allow games of chance to be played on racetrack casinos.

• **April 3** Tampa, Arizona: National Association of Purchasing Management releases its index for February.

• **April 3** San Paulo: Inflation for March. Outlook: Up to 42 percent.

• **April 3** Brasilia: Rubens Reuperio is scheduled to be sworn in as economic minister.

• **April 3** Caracas: The Supreme Court is expected to discuss a lower court's probe into the collapse of Banco Latino.

• **April 3** New York: Redbook research service releases its weekly survey of new-store sales at department, discount and chain stores.

• **April 3** New York: International Business Machines Corp. schedules announcements of new product lines, including computers and mainframe systems.

• **April 3** San Francisco: Annual computer trade exposition. Through April 7.

• **April 3** Kansas City: Kansas City Fed President Thomas Hoenig to speak at University of Wyoming.

• **April 3** Toronto: Bank of Canada Governor Gordon Thiessen to speak to members of the Canadian Club.

• **April 3** Toronto: Dennis Garman, author of the German Laborer, will speak about future and options markets at a seminar sponsored by the Toronto Futures Exchange.

• **April 3** New York: C.J. Palmer, chairman of Radian Corp., makes presentation to the New York City Council of Security Affairs.

STOCKS: Small Players Hold On

Continued from Page 9

Holly Eaton, 35, a lawyer, learned that lesson by hanging tight through the stock collapse of 1987. "I lost all kind of stuff when the market dropped in '87, and it all came back," she said. "I've always been a long-term investor, saving for retirement."

Miss Eaton said last week's market dive did not affect her thinking. "It's when you panic and sell out that you lose everything, or lose a lot," she said.

Dan Caplan, 35, a mortgage banker, said he knew that as the low interest rates that had made his business boom began to rise, the stock market was likely to fall. He said he decided to "pretty much wait it out. If I were to do anything, it would be an overreaction."

Robert Houston, a retiree, said he tries "to make a distinction between the world of finance and the real world. In the world of finance, you have lots of ups and downs that aren't related to what's going on in the economy."

Mr. Houston subscribes to Standard & Poor's Corp.'s weekly newsletter, which has been recommending for several months that investors move some of their money out of the stock market and into cash. He and his wife, who want to preserve the capital they have and to bring in income to supplement their pensions, have been following that advice.

"That helps account for my relatively calm view," he said. "The cash is not being affected by what's happening."

The confidence to ride out a downturn comes easier for older investors who put money in the market in years when it was not doing much of anything and who survived the collapse in 1987.

"I've been involved in the stock market for a number of years, and I've had good years and bad years," said Bill Camarinos, 55, a real estate agent.

The stock market's recent de-

cline "hasn't bothered me one way or the other," he said. "I just stay in there. The short haul is for someone who's going to be sitting at a desk watching a ticker tape. I can't afford to do that."

Investors who do watch the market every day, such as Jerry Adelson, say their advice "is to keep a level head and patience."

Mr. Adelson, 41, figures there are two kinds of investors: "You have the players and the people who are scared stiff of playing." He thinks of himself as a player. He and his wife live completely off the income from their investments.

"Right now we live and breathe the stock market," he said. "It gets a little scary sometimes, especially times like this week."

He said he had spent the week buying stocks, not selling what he holds. "Since our goal is basically income, it's a good time to pick up some income stocks."

Julie Jones, 30, said she and her husband were buying stocks now. They have money in a 401(k) tax-deferred retirement account, an individual retirement account and are beginning to save for their year-old son's college education by setting aside a percentage of their income each month.

The stock market's drop didn't change that decision. "Everything we're into is long term," she said.

She said she had studied the market and decided to put money into growth mutual funds, but putting the right investment vehicle is a problem even for people who firmly believe they ought to stay in the stock market.

"It's scary," said Karen Porterfield, a baby boomer who is trying to figure out how to reinvest the six-figure proceeds from the sale of a large block of utility stocks from her parents' estate.

The utilities had to go, she said, because they were sensitive to interest rates and had been declining in value. Finding a new investment in the midst of a stock market decline has been daunting, though.

TRADE: China Warns on GATT

Continued from Page 9

making the renewal in June of China's most-favored-nation trading status conditional on progress in Beijing's human rights reform.

By attaching human rights conditions to the status, which assures a nation of the lowest tariffs on offer, Washington was going against the spirit of the world trade body, Mr. Li said.

China's entry to GATT "has been complicated by noneconomic factors, and the negotiation has been delayed for an unwarranted period," he added.

Along with Mr. Li's warning to

the West, the China Daily carried a contrasting article that said China was considering a law against monopolies to make its trade regime conform more with GATT.

The law, which would supplement an unfair competition law issued in December, would target restrictive business practices and unfair restraint of trade by public utilities such as cooking-gas and electrical-supply companies.

Ma Yanling, an official with the State Administration for Industry and Commerce, told the newspaper it could be at least a year before the law is approved.

GATES: Microsoft Gets Lectured

Continued from Page 9

90 percent to 60 percent, according to Pan Jianxin, SunTendy's marketing manager.

Without protection, Mr. Yang said, that share would drop even further. "If Microsoft is allowed to enter China, it may monopolize the whole market," the paper quoted him as saying.

Yet Microsoft has already entered China in a big way. The company's Beijing office manager, Patrick Tien, was quoted by China Daily as saying that the company had trained 140 domestic vendors, who are preparing a nationwide lecture tour. Microsoft will soon set up a 100 percent-owned venture in China, he said.

Mr. Gates said in Beijing that Microsoft had sold thousands of copies of Windows in China without involving any ministry. Details of his meeting with China's president, Jiang Zemin, were not released.

In a concession to ministry pres-

sure, Mr. Gates said his company would develop all its Chinese software in China in the future.

China's small computer market is growing fast. Last year 300,000 of the 35 million computers sold worldwide ended up in China, Mr. Gates said. Software sales in China accounted for only 0.1 percent of the world market, however, because of piracy and the poor variety of programs, he said.

A Boost for Electronics

Another report in the China Daily quoted a Ministry of Electronics official, Lin Yuanfang, as saying the industry would receive priority government investment and tax breaks on land use in a bid to nudge Chinese manufacturers onto the list of the world's 100 top electronics companies by the year 2000, Agence France-Press reported.

The ministry has listed eight companies, each with sales last year of more than 2 billion yuan (\$230 million), that it hopes to nurture into electronics giants.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes			Money Rates		
United States	April 1	March 25	United States	April 1	March 25
DJ Industrials	3,635.94	3,774.23	Discount rate	3.00	3.00
DJ Utilities	196.28	202.15	Prime rate	6 1/4	6 1/4
DJ Transp.	1,625.19	1,714.86	Federal funds rate	4.00	3 1/2
S & P 100	472.33	425.97	Japan		
P 500	4,637	4,403.8	Discount	1 1/4	1 1/4
S & P 500	321.14	297.45	3-month interbank	2 3/4	2 3/4
NYSE Composite	2,476	2,529	6-month interbank	2 3/4	2 3/4
FTSE 100	3,086.40	3,279.80	Germany		
FTSE 250	2,429.10	2,472.40	Lombard	6 1/4	6 1/4
Japan			Call money	5 1/4	5 1/4
Nikkei 225	19,277.16	19,834.30	3-month interbank	5 1/4	5 1/4
Germany			6-month interbank	5 1/4	5 1/4
DAX	2,133.11	2,130.06	Bank base rate	5 1/4	5 1/4
France			Call money	5 1/4	5 1/4
CAC 40	9,029.91	9,242.1	3-month interbank	5 1/4	5 1/4
Hong Kong			Gold	April 1	March 25
World			London p.m. fix	389.20	391.30
MSCI	399.70	n.a.			0.54%

World Index from Morgan Stanley Capital Intl.

ASEAN: Bloc Opposes Linking Wage Levels to Trade

Continued from Page 1

approach by having a link between workers' rights and the world trading system added to the declaration that will be made at the April 15 that will be made at the April 15 signing of the Uruguay Round trade accord in Marrakesh.

ASEAN officials said a promise by the Clinton administration not to introduce new issues after the Uruguay Round negotiations ended last Dec. 15.

The organization is also worried that the introduction of a controversial social dimension would divert attention from work that needs to be done to ensure that measures to liberalize world trade contained in the Uruguay accord are actually applied.

Officials said that labor rights were a complex issue and that the World Trade Organization was not the best forum to deal with them.

America has "introduced a dangerous element by trying to impose its will on less developed countries," said K. Kesavapany, Singapore's permanent representative to the United Nations in Geneva, where much of the international debate on the proposed social clause has taken place.

"This may lead to a North-South divide on world trade," he said.

Wong Kan Seng, a former Singapore foreign minister who is now home affairs minister, said recently that with the conclusion of the Uruguay Round, Asian countries would face more subtle forms of protectionism, such as managed trade, imposition of non-tariff barriers and social clauses.

Reflecting a view that is widely held in Asia, he said that many in the West were ambivalent about the triumph of market economics. "They welcome China opening

Euromarkets At a Glance

Weekly Sales

Country	March 31	March 25	March 25
Germany	6.75	6.50	25.00
France	6.50	6.25	25.00
UK	6.00	5.75	25.00
Italy	5.50	5.25	25.00
Spain	5.00	4.75	25.00
Portugal	4.50	4.25	25.00
Greece	4.00	3.75	25.00
Ireland	3.50	3.25	25.00
Netherlands	3.00	2.75	25.00
Belgium	2.50	2.25	25.00
Austria	2.00	1.75	25.00
Sweden	1.50	1.25	25.00
Denmark	1.00	0.75	25.00
Finland	0.50	0.25	25.00
Other	0.25	0.00	25.00
Total	21,823.20	21,372.40	21,372.40

Source: Euromarkets, Codel.

Libor Rates

Country	March 31	March 25	March 25
U.S.	1 1/2	1 1/4	4 1/4
Germany	5 1/4	5 1/4	5 1/4
France	5 1/4	5 1/4	5 1/4
UK	5 1/4	5 1/4	5 1/4
Italy	5 1/4	5 1/4	5 1/4
Spain	5 1/4	5 1/4	5 1/4
Portugal	5 1/4	5 1/4	5 1/4
Greece	5 1/4	5 1/4	5 1/4
Ireland	5 1/4	5 1/4	5 1/4
Netherlands	5 1/4	5 1/4	5 1/4
Belgium	5 1/4	5 1/4	5 1/4
Austria	5 1/4	5 1/4	5 1/4
Sweden	5 1/4	5 1/4	5 1/4
Denmark	5 1/4	5 1/4	5 1/4
Finland	5 1/4	5 1/4	5 1/4
Other	5 1/4	5 1/4	5 1/4
Total	5 1/4	5 1/4	5 1/4

Source: Lyrids Bank, Reuters.

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NOTICE OF ANNUAL GENERAL MEETING OF STOCKHOLDERS

SHORT COVER

Foreigners Fuel Rise in Chinese Pay

BEIJING (AP) — Chinese salaries are rising faster than inflation, thanks to a near doubling of pay by foreign-invested and private enterprises, an official report said Sunday.

In January and February, China's total payroll outlay was \$2.9 billion yuan (\$10 billion), up 26.3 percent from the same period last year, the China Daily's Business Weekly reported, citing figures from the State Statistics Administration.

Retail prices nationwide rose about 20 percent in January and February from a year earlier. The report did not say what the average monthly salary was. But it said government employees and workers in state-owned enterprises were paid a total of nearly 65 billion yuan, up 25.8 percent. Employees of collectively owned enterprises were paid a total of 14.4 billion yuan, up 18 percent. Workers in foreign-invested and private enterprises were paid a total of 3.7 billion yuan, almost double a year earlier. Part of the increase was accounted for by the addition of 690,000 new employees to the payroll, but the report did not say how much.

Ukraine to Cede Fuel Company Stake

KIEV, Ukraine (AP) — Ukraine will cede a 30 percent stake in its gas infrastructure to Russia to settle a \$900 million debt for the fuel, Deputy Prime Minister Valentyn Landik said Sunday.

A presidential decree will be signed soon setting up a share-based company to control the import and transportation of fuels, Mr. Landik said. Ukraine will retain majority ownership for 20 to 30 years, he told Interfax news agency on Friday. He said that, to date, Ukraine had settled \$100 million of its debt for Russian gas supplies.

Philips Lighting to Get New Chief

AMSTERDAM (Reuters) — Philips Electronics NV is appointing Cornelis Boonstra to its management board, effective June 1, and also as chief executive of Philips Lighting BV from July 1, the company said.

As a member of the board, Mr. Boonstra will supervise activities in the Asia-Pacific region. Mr. Boonstra, 56, was president of Sara Lee Corp. in the United States and chairman of the board of management of Sara Lee/DE in the Netherlands. His retirement from Sara Lee in January was unexpected, and he had been widely considered as the leading candidate to become the next chairman of the consumer-products company.

Turner Seeks to Broadcast in India

NEW DELHI (Reuters) — Turner Broadcasting System Inc. said it was seeking a deal with Indian state television to broadcast programs aimed at the world's second most populous nation.

Turner's regional managing director, Mark Rudolph, confirmed today in a press report that the company, which produces Cable Network News and entertainment channels, had been negotiating with India's Doordarshan network. He refused to give details of the proposal.

Sources said Turner was seeking permission to lease a transponder on India's Insat-2B satellite to provide "India-specific" programming.

Hungary Receiving TV Via Holland

BUDAPEST (AP) — Circumventing a state monopoly on radio and television, a Hungarian entrepreneur has begun broadcasting from Holland to satellite dish owners and cable television subscribers in his homeland.

Johann Spischak's BPI channel offers five 30-minute news broadcasts, as well as movies, soap operas, documentaries, cartoons, sports and music. Programs are beamed to EntelSat II from the Hilversum media complex in the Netherlands. The first day's broadcast went from 6 A.M. to 3 P.M. Mr. Spischak said his budget for the first year was \$39 million.

GE Outbid on Three Asia Contracts

SCHENECTADY, New York (Bloomberg) — General Electric Co.'s Industrial and Power Systems Division said it had lost three big contracts in Asia to Westinghouse Electric Corp. and Siemens AG. In a letter to 7,000 employees here, the unit's president, David C. Genevieve-Watling, called the development a "huge disappointment."

The largest contract went to Siemens, for gas turbines, steam turbines and generators at Taiwan Power's Hsinshu site, said a GE spokesman, Leonard Doviak. Westinghouse won contracts for steam turbines at Ligang and Yangzhou, in China. Mr. Doviak declined on Friday to put a value on the contracts. He said competitors were bidding very aggressively due to excess capacity and that prices had dropped "drastically" in the last 8 to 10 months.

Separately, the Stockton, California-based American Savings Bank announced it had sold its \$140 million credit-card portfolio to GE Capital Consumer Card Co.

WORLD STOCKS IN REVIEW

Amsterdam

Prices dipped in Amsterdam last week in trading shortened by Easter holidays, despite successful share issues by KLM and VNU.

The CBS all-share index closed the week at 268 points, down from 272.10, and was predicted to head down further this week, depressed by dollar trading.

KLM shares rose against the trend, up 5.8 percent to 46.70 guilders with the issue of 21.27 million shares raising 1.19 billion guilders.

VNU's issue of 3.1 million new shares raised 524 million guilders and the publishing company's stock gained 2.7 percent to 178.50 guilders.

With dealers staying out of the market ahead of Easter, share volume fell to 4.4 billion guilders from 6.2 billion the previous week.

Frankfurt

The stock market made a tiny gain last week with most investors reluctant to take positions ahead of the four-day Easter weekend, traders said.

The DAX index closed at 2,133.11 points Thursday, up 0.14 percent from the close the previous Friday, while volume was only 30.92 billion Deutsche marks against 33.18 billion DM for the previous, five-day week.

Financials performed relatively well. Deutsche Bank, which announced a 16 percent rise in 1993 operating profit on Thursday, gained 4.20 DM on the week to end

at 790.50, Dresdner Bank 8 to 400, and Commerzbank 7.50 to 355.50.

Hong Kong

Hong Kong stocks fell 2.2 percent in lackluster trading during the week with the key Hang Seng Index losing 204.30 points to close at 9,029.91 on Thursday.

Average daily volume totaled 5.686 billion Hong Kong dollars against the previous week's 7.844 billion dollars.

The market fell Monday because of a hike in local interest rates for the first time in 20 months.

It rebounded Tuesday on selective bargain hunting in banking and property sector stocks but then fell back again Wednesday and Thursday for fear the government would introduce harsher measures to curb real estate prices.

London

John Major's political roller-coaster ride dominated the market with shares falling as speculation mounted over the prime minister's remaining time in office.

The Financial Times-Stock Exchange 100 share index closed the short trading week down 42.6 points, or 1.3 percent, at 3,086.4 points.

Analysts said underlying economic confidence should support the market this week but any new political turn would have some short-term impact, making the outlook uncertain.

Last week's speculation that Mr. Major might soon be ousted by

members of his Conservative party, unhappy at his handling of European policy, caused the pound to fall, reducing possibilities of an interest rate cut and pushing shares lower.

Pearson, which announced a 39 percent rise in 1993 pretax profit and the purchase of Software Toolworks for \$462 million, finished 6 pence higher on the week at 641.

Oil prices were generally lower, hit by the OPEC decision to roll over production quotas until the end of this year. BP lost 23.5 pence to 349.5 but Shell rose 3 pence to 659 at the end of the week.

Milan

The election victory of the rightist Freedom Alliance, dominated by Silvio Berlusconi's Forza Italia party, sent shares rocketing on the Milan exchange last week with the Milan index gaining 9.65 percent to close at 11,772 points.

Record trading volumes were registered all week.

Political commentators said profit-taking could emerge this week with the formation of the future government still in doubt.

SIP rose by 11.67 percent to 4,860 lire and another telecommunications company STET, gained 13.43 percent to 5,818 lire.

Olivetti rose just 5.04 percent to 2,707 lire on fears that a license allowing it to become Italy's second cellular telephone group might be rescinded by Mr. Berlusconi.

Paris

Rioting students and a government crackdown over plans for curbing youth wages depressed share prices in Paris.

The CAC 40 index fell by 2.5 percent in a holiday-shortened week to 2,081.94 points, taking the index 12 percent below its high for the year of 2,360 points, reached in February.

Brokers at the Paribas brokerage said the market would start to show signs of recovery in mid-April, when 10-year interest rates are expected to level out at around 6.20 percent.

The CAC 40 could then start to climb back up to around the 2,360 level seen earlier in the year, Paribas said. Other brokers were more cautious, predicting more falls in the weeks to come and a recovery only in the summer.

Singapore

The Straits Times Industrial index slipped 2.52 points last week to 2,080.90 points, after falls in New York and Tokyo and an increase in tension on the Korean peninsula.

Volume in the holiday-shortened week fell to 484.42 million shares from 984.35 million units.

Tokyo

Measures to open up Japan's markets to more international trade disappointed share dealers in Tokyo last week and were criticized as "insufficient" by Mickey Kantor, the U.S. trade representative.

The 225-issue Nikkei Stock Average closed at 19,277.16 yen on Friday, down 559.32 points, or 2.8 percent, from a week earlier.

Average daily turnover on the major board shrank to 271.89 million shares from the previous week's 377.25 million.

Foreign investors were worried that a recovery of Japanese corporate earnings would be further delayed by a rise in the yen. Brokers said these investors might not return to the market unless the yen-dollar rate was stabilized.

Brokers predicted a further slide in the market this week with the dollar expected to slip further.

Zurich

Share prices fell back last week with the Swiss Performance Index down by 17.69 points or 0.5 percent to 1,805.41 points.

Trading volume was low with many dealers staying away because of the long Easter weekend. Foreign and Swiss institutional investors were largely absent, one dealer said. The fall on Wall Street and weakness in other European exchanges contributed to the market's fall.

Taiwan to Press On With Privatizations

Taipei

TAIPEI — The Taiwan government will pursue efforts to transfer state companies to private hands this year, despite the flop of a big sell-off last month, Prime Minister Lien Chan said on Sunday.

Mr. Lien directed a meeting of economic ministers to privatize "two or three" state enterprises by the end of 1994.

Local newspapers quoted officials as saying majority stakes in BES Engineering Corp., a construction company that is 8.51 percent privately held, and Chung Kuo Insurance Co., 15 percent private, would be sold this year.

The auction of a 60 percent stake in state-run Taiwan Machinery Manufacturing Corp. last month flopped when it failed to attract a single bidder. The government now intends to break up the company and sell assets separately.

Analysts blame the dismal record of Taiwan's privatization program, which since 1989 has failed to put a single company into private control, on the speculative nature of the stock market and a poor underwriting system.

The Securities and Exchange Commission last week announced plans to streamline underwriting.

Egypt Beckons Investors

The Egyptian government has accelerated its long-delayed privatization program with announcements inviting the private sector to invest in and manage five public companies.

A state holding company, Engineering Industries Co., asked investors to submit offers to invest in Nasr Automotive Manufacturing Company & Delta Industrial Co.

Nasr Automotive pioneered vehicle manufacturing in the Middle East in the 1960s and had sales of 556 million Egyptian pounds (\$165 million) in 1993.

Delta Industrial, one of Egypt's main manufacturers of refrigerators, washing machines, dish wash-

ers and steel furniture, had sales of 324 million pounds in 1993.

The holding company suggested several possible methods of investment: buying up all or some of the company shares, buying all or part of their factories or using the factories through subcontracting, leasing or management contracts.

Priority will go to investors willing to modernize the factories and retain the work force.

The state's Holding Company for Housing, Tourism & Cinema invited investors to buy a majority shareholding in Egyptian Vineyards Co., the country's sole producer of wines.

The holding company's chairman, Hamed Fahmy, told the government newspaper al-Ahram that the holding company was also inviting bids for Min Free Shops, the company that runs duty-free shops at airports and elsewhere.

He said the holding company was looking for investors willing to buy between 50 and 60 percent of the shares in the companies and the rest of the shares would be offered to the public later.

The same formula will apply in the case of Al Ahram Beverages Co., Egypt's only brewer.

The deadlines for offers are July 14 for Delta Industrial, and July 31 for Egyptian Vineyards and Nasr Automotive.

The privatization program, backed by loans from the World Bank and strongly favored by all Egypt's aid donors, started slowly but is picking up momentum.

The government has sold three major companies by private arrangement and has greatly diluted its shareholding in Commercial International Bank.

For investment information
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WELCH: Guiding Light for CEOs

Continued from Page 9

the automaker is trying to move into the next phase of the reorganization that was started by the company's independent board of directors in December 1991.

In subsequent months, the board first fired the GM president, Lloyd E. Reuss, replacing him with Mr. Smith, and then, in the fall of 1992, fired Chairman Robert C. Stempel.

Mr. Smith was given the chief executive's title and the retired Procter & Gamble Co. chairman, John G. Smale, who led the revolt, took over as chairman of GM.

After nearly 18 months of seven-day workweeks, Mr. Smith believes the U.S. car business is on the road to recovery and it is time he stepped back from the day-to-day operations of the North American Automotive Operation, which accounts for 60 percent of GM's revenue.

The front-runner to replace him, a source close to the board said, was G. Richard Wagoner Jr., GM's chief financial officer. GM general counsel Harry J. Pearce also is ex-

pected to be given "expanded duties," the source said.

At its most recent meeting in March, the board issued a 28-point guide for corporate governance in which it left open the possibility that Mr. Smith could become chairman.

But a major concern about moving Mr. Smith up to Mr. Smale's job, GM sources said, was whether Mr. Smith could provide the vision the company needed. Mr. Smith is given high marks for being an operations wizard, but there is concern about his ability to step back from the day-to-day operations if he becomes chairman.

For these reasons, and because Mr. Smith and Mr. Welch are such good friends, there have been persistent rumors at GM about the possibility of Mr. Welch eventually taking over as GM's chairman.

But Mr. Welch and his associates are quick to reject the idea. They note that as chairman of GE, Mr. Welch would have too many potential conflicts of interest to take the job. And besides, aides said, he does not want to leave GE.

THE CENTRAL SOURCE ON FUND INVESTMENT

April - June
Spring 1994
Volume 3, Number 1
A Quarterly Publication

INTERNATIONAL FUND INVESTMENT

It's time to be of great interest

Labels: Bond, Equity, Money Market

Not time to be of great interest

Labels: Bond, Equity, Money Market

Not time to be of great interest

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, April 1

(Continued)

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Team
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MONDAY SPORTS

INTERNATIONAL HERALD TRIBUNE, MONDAY, APRIL 4, 1994

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE			
Atlantic Division			
Team	W	L	Pct
New York	21	19	.520
Orlando	21	19	.520
New Jersey	20	20	.500
Atlanta	19	21	.475
Charlotte	18	22	.450
Philadelphia	17	23	.425
Washington	16	24	.400
Central Division			
Team	W	L	Pct
Chicago	21	19	.520
Cleveland	20	20	.500
Indiana	19	21	.475
Charlotte	18	22	.450
Philadelphia	17	23	.425
Washington	16	24	.400
Western Conference			
Midwest Division			
Team	W	L	Pct
San Antonio	21	19	.520
San Houston	20	20	.500
Utah	19	21	.475
Denver	18	22	.450
Minnesota	17	23	.425
Seattle	16	24	.400
Pacific Division			
Team	W	L	Pct
Phoenix	21	19	.520
Portland	20	20	.500
Golden State	19	21	.475
L.A. Lakers	18	22	.450
L.A. Clippers	17	23	.425
Sacramento	16	24	.400

Baseball

MLB Standings

American League			
East Division			
Team	W	L	Pct
Toronto	21	19	.520
Baltimore	20	20	.500
Seattle	19	21	.475
Los Angeles	18	22	.450
Calgary	17	23	.425
West Division			
Team	W	L	Pct
Oakland	21	19	.520
Minnesota	20	20	.500
Seattle	19	21	.475
Los Angeles	18	22	.450
Calgary	17	23	.425



Derek Harper ran over Willie Burton, while the Knicks did the same to the Heat.

Knicks Increase Streak to 15

The Associated Press
There appears to be no stopping the New York Knicks as they spring forward to the National Basketball Association playoffs. Hubert Davis scored 13 of his 21 points during a 44-17 blitz in the second and third quarters as the Knicks matched an NBA season high for consecutive victories, at 15, with a 110-87 rout Saturday night in Miami.

"Fifteen in a row is something special," Davis said. "It's hard to do in this league."

The Knicks, who have 12 games left and haven't lost since Feb. 27, held their opponent under 90 points for the 11th time in the streak, which equals Houston's 15-0 start.

Charles Oakley finished with 17 points and 12 rebounds, and Patrick Ewing had 15 points, 11 rebounds and 6 blocked shots for the Knicks, who have beaten Miami in 11 of their last 12 meetings.

Anthony Bonner missed eight of his nine shots, all from close to the basket, but he led New York with 13 rebounds.

"He is the quintessential role player," Knicks coach Pat Riley said of Bonner, who has started each of the 15 games during the streak. "He took four or five charges, got three or four loose balls and all those rebounds. It's incredible what he has given us the last 15 games. If there's ever a player that epitomizes how we play, it's Anthony Bonner."

Spurs 117, Hornets 111: David Robinson scored 24 points and Dennis Rodman had 20 rebounds and a career-best eight assists as San Antonio, playing at home, won its sixth straight.

Sonics 119, Warriors 109: Sam Perkins led a game-breaking rally with six points and Shawn Kemp scored a season-high 32 as host Seattle won its eighth straight. Michael Cage of the Sonics played his 400th straight game, the sixth-longest active streak in the NBA.

Pacers 128, Magic 113: Reggie Miller made all 15 of his free throws and scored a season-high 38 points, while rookie guard Hayward Workman had 15 assists and Rik Smits contributed 26 points as Indiana overcame Shaquille O'Neal's 33-point, 15-rebound game for visiting Orlando.

HOCKEY

NHL Standings

EASTERN CONFERENCE			
Atlantic Division			
Team	W	L	Pct
New York	21	19	.520
Orlando	20	20	.500
San Houston	19	21	.475
Atlanta	18	22	.450
Charlotte	17	23	.425
Central Division			
Team	W	L	Pct
Chicago	21	19	.520
Cleveland	20	20	.500
Indiana	19	21	.475
Charlotte	18	22	.450
Philadelphia	17	23	.425
Western Conference			
Midwest Division			
Team	W	L	Pct
San Antonio	21	19	.520
San Houston	20	20	.500
Utah	19	21	.475
Denver	18	22	.450
Minnesota	17	23	.425
Pacific Division			
Team	W	L	Pct
Phoenix	21	19	.520
Portland	20	20	.500
Golden State	19	21	.475
L.A. Lakers	18	22	.450
L.A. Clippers	17	23	.425

SOCCER

1994 AFRIKAN NATIONS CUP

DUTCH FIRST DIVISION			
Team	W	L	Pct
PSV Eindhoven	21	19	.520
Ajax	20	20	.500
FC Utrecht	19	21	.475
FC Twente	18	22	.450
FC Groningen	17	23	.425

ITALIAN FIRST DIVISION

PRE-SEASON EXHIBITION GAMES

PRE-SEASON EXHIBITION GAMES			
Team	W	L	Pct
AC Milan	21	19	.520
Inter Milan	20	20	.500
Juventus	19	21	.475
Lazio	18	22	.450
Roma	17	23	.425

BASEBALL

Major League Scores

Major League Scores			
Team	W	L	Pct
New York	21	19	.520
Orlando	20	20	.500
San Houston	19	21	.475
Atlanta	18	22	.450
Charlotte	17	23	.425

Baseball

MLB Standings

American League			
East Division			
Team	W	L	Pct
Toronto	21	19	.520
Baltimore	20	20	.500
Seattle	19	21	.475
Los Angeles	18	22	.450
Calgary	17	23	.425

Baseball

MLB Standings

National League			
East Division			
Team	W	L	Pct
Atlanta	21	19	.520
Philadelphia	20	20	.500
San Houston	19	21	.475
Los Angeles	18	22	.450
San Diego	17	23	.425

CRICKET

ONE-DAY INTERNATIONAL

ONE-DAY INTERNATIONAL			
Team	W	L	Pct
India	21	19	.520
South Africa	20	20	.500
England	19	21	.475
West Indies	18	22	.450
Australia	17	23	.425

CRICKET

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, April 1

NASDAQ NATIONAL MARKET			
Symbol	Price	Change	Volume
ADV	100.00	+0.00	1000000
ADV	100.00	+0.00	1000000
ADV	100.00	+0.00	1000000
ADV	100.00	+0.00	1000000
ADV	100.00	+0.00	1000000

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ADV	100.00	+0.00	1000000
ADV	100.00	+0.00	1000000

MONDAY SPORTS

New Season, New Divisions and New Chances

By Murray Chass
New York Times Service

Early in spring training, Lou Piniella delivered a message to his Seattle Mariners: "There's no reason to assume this team can't get into post-season play. It's our time. We can win."

The Mariners have never won a division championship in their 17-year history. In fact, they have finished only two seasons with a winning record.

But the development of talented players combined with a change in alignment of the divisions in each league makes the Mariners legitimate contenders for the first time.

The American League West, in fact, has a 50 percent chance of producing a first-time champion. With the Mariners and the Texas Rangers, it has two of the three major league teams (the Cleveland Indians are the third) that have never won a division championship.

This season, which began Sunday night in Cincinnati with the Reds playing the St. Louis Cardinals, is the first in 25 years in which major league baseball has altered its appearance through the creation of new divisions and expanded playoffs.

In 1969, the National and American Leagues divided into two divisions each, doubling from two to four the number of teams that played post-season games. This year, each league will have three divisions, and the number of playoff teams again will double, this time from four to eight. The six division champions will be joined in October by one wild-card team from each league: the team that has the best win-loss record among the non-champions.

The new divisional alignment could benefit some teams and hamper others during the regular season.

The Mariners and the Rangers, for example, can compete for first place unencumbered by the presence of the Chicago White Sox, the team that won the American League West last year and is heavily favored to finish first in the new Central Division this season.

The upstart Indians, on the other hand, have to contend with the White Sox but they are free of the Blue Jays, Yankees and Orioles, the teams that make the East the league's toughest.

In the National League, the San Francisco Giants, an also-ran last year despite 103 victories, are rid of the Atlanta Braves in the West, and the Houston Astros and Cincinnati Reds have escaped the Braves

and the Giants. The Cardinals, joining the Astros and the Reds in the Central Division, don't have to compete with Philadelphia or Montreal.

"We also had the possibility of being in the same division with Atlanta, and we got away with that," said Joe Torre, manager of the Cardinals, breathing more easily.

The Phillies and Expos, the teams that battled for the East title last season, won't have that race in themselves this time. Instead, the Braves, geographically correct after 25 years, will intrude on that race in their quest to become the first National League team to win four consecutive division championships.

"Based on last year, three of the best four teams in the league are in the same division," Phillies Manager Jim Fregosi said. "But I don't think it makes a big difference. I don't worry about things I have no control over. We still play under the same rules. It doesn't make any difference to me."

As much criticism as the new post-season format has drawn, the regular-season schedule could prove to be the most questionable element of the system. Officials have changed the divisional alignments,

but they have not changed the balanced schedule.

It always seemed strange that under the balanced schedule, in which a team plays each of the others in the league 12 or 13 times, a team would have fewer games within its division (78) than outside it (84).

But the balanced imbalance grows worse this season.

Each team in a five-team division will play 52 games within its division (or 32 percent) and 110 outside it. Each team in a four-team division will play only 39 games in its division (24 percent) and 123 outside it.

In other words, divisional games will have relatively little impact on the outcome of division races. A team could have a losing record against each of its division rivals and still easily finish ahead of them.

Worse, the Astros, one of the favorites in the National League Central, will compete for first place by playing virtually the entire months of August and September without seeing another Central Division team. After they play the Reds July 27, the Astros have only three games scheduled in their division, a season-ending series against the Reds on Sept. 30 and Oct. 1-2.

"I don't like it," Bob Watson, the Astros' general manager, said. "But there's nothing we can do until we go in the unbalanced schedule."

Owners are stubbornly clinging to the balanced schedule because they don't want to give up games with the more attractive teams. But future schedules should amend the mistake that left the Astros with hardly a showdown in point to this year, the new three-division format was approved too late for this season's schedule to be changed.

"As we make up the 1995 schedule, all divisional alignments will be taken into consideration," said John Harrington of the Boston Red Sox, chairman of the owners' schedule format committee. "We all reluctantly accepted the inequities of this one realizing we'll change."

So all sides will be watching with interest as the races develop this year, when the owners have expanded the playoffs to keep more fans interested late in the season.

The following league previews, the National on this page and the American on the next page, also were prepared and written by Murray Chass of The New York Times. The teams in each league are presented in alphabetical order in their divisions.

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Catcher Don Slaught will help keep the Pirates from falling flat.

Braves Are Set to Repeat in NL, While Reds and Giants Show Promise

EAST DIVISION

ATLANTA BRAVES: Embarrassment of riches No. 1: The Braves, who already had the best starting rotation, signed Greg Maddux as a free agent last year and he promptly won his second straight Cy Young Award.

Embarrassment of riches No. 2: Ron Gant, who last season hit 36 home runs and drove in another 117, broke his leg, and the Braves threw three top rookies into the scrap for his job. One of the three, Chipper Jones, tore a knee ligament, so the Braves put yet another impressive minor leaguer, Mike Kelly, out there to share time with Tony Tamm and Ryan Klesko.

They aren't the only rookies who are infiltrating the lineup of the three-time division champions. Javier Lopez, who will be the catcher. In the only other change, Deion Sanders becomes the sole center fielder.

KEY ADDITIONS: The rookies should be worth watching. So should reliever Gregg Olson, if he gets his right elbow working properly.

KEY LOSSES: If Sanders falters as an everyday player, they will regret letting Otis Nixon leave.

KEY TO SEASON: Atlanta has only to avoid natural disasters to reach the playoffs a fourth straight season.

FLORIDA MARLINS: Baseball's oldest player, 46-year-old Charlie Hough, is the opening-day pitcher for one of its two youngest teams. Hough's status as the Marlins' No. 1 pitcher reflects the team's inability to begin building a starting rotation.

If the Marlins are to make any progress in their second season, they will probably have to do it behind their offense, which is powered by Gary Sheffield. Sheffield has moved from third base to right field, opening up his old spot for Dave Magadan (when his sprained wrist heals).

KEY ADDITIONS: Magadan will contribute to the offense. So might Kurt Abbott, the rookie shortstop. Jerry Browne is a versatile backup.

KEY LOSSES: Left Weiss was fine at short, but now he's in Colorado.

KEY TO SEASON: If reliever Bryan Harvey doesn't duplicate his 1993 performance (43 saves and a hand in 72 percent of the team's 64 victories), the Marlins might not be as good as last year.

MONTREAL EXPOS: This is a young team that seems to be getting younger, but Felipe Alou has displayed an ability to work wonders with such a collection. He led his young players through the division race last year — they fell only three games short — and he should do the same this season.

One example of the team getting younger is the exchange in the pitching rotation of Dennis Martinez, 38, for Pedro Martinez, 22.

Cliff Floyd, who will have at least a share of first base, is 21. Last year at first, the Expos used anybody who came to the park with a first baseman's glove. Another rookie is Rondell White, 22, who will play left field until Moises Alou's broken leg heals.

KEY ADDITIONS: The new Martinez will be hard-pressed to contribute like the old Martinez.

KEY LOSSES: Many on the club were devastated by the trade of second baseman Delino DeShields.

KEY TO SEASON: They will go as far as the manager's ability to mold his kids into playing like seasoned players.

NEW YORK METS: The Mets have had such a turnover that in the past week alone they traded for half of a new infield, first baseman David Segui and shortstop Jose Vizcaino. They also designated a new starting catcher, Kelly Stinetz, who was picked up in December's draft of minor league players.

To return to respectability, they need to keep turning over until they uncover some winning players.

KEY ADDITIONS: The Mets are counting on Segui and Vizcaino to contribute in the field and at bat. They are wishing Kevin McReynolds would perform like he did in the first few years of his first term with them.

KEY LOSSES: Some of the departed players may do well in their new uniforms, but they didn't do it for the Mets.

KEY TO SEASON: They need lots to happen to make everyone forget their 103-loss season, but for starters, Bret Saberhagen (10-12 in two seasons) has to improve and Dwight Gooden has to revert to the winning records he had in his first eight seasons.

PHILADELPHIA PHILLIES: They went from last to first, and now they are being tested. John Kruk was discovered to have cancer. Wes Chamberlain tore cartilage in his right knee. Larry Andersen tore cartilage in his left knee.

And the Phillies are supposed to defend their division championship against the intruding Braves.

Doug Jones, an erratic game-saver the last few years, will try to close games more successfully, holding the job until Norm Charlton's surgically repaired elbow is ready.

KEY ADDITIONS: Jones is important, but so are rookie starter Jeff Juden and young reliever Bobby Munoz.

KEY LOSSES: Mitch Williams saved 43

regular-season victories and three in the post-season. Terry Mulholland was a solid member of the starting rotation.

KEY TO SEASON: The ailing players have to get back quickly and the team generally has to avoid the kind of collapse that can occur a year after it has risen meteorically.

CENTRAL DIVISION

CHICAGO CUBS: Tom Trebelhorn is the new manager, but he could have the same old problems.

Picking wins games. That's what the Cubs hope they can do behind Steve Trachsel, a rookie who had a 13-6 record in Class AAA last year. Willie Banks is another newcomer, by way of Minnesota, where he had an 11-12 record, as is Anthony Young, he of the record 27-game losing streak.

Shawn Dunston is a healthy shortstop again after two years of back problems, but the layoff makes him an unknown factor. The Cubs are looking for run production from their outfielders. Glenallen Hill, for example, hit 10 homers and drove in 22 runs in 31 games in September.

KEY ADDITIONS: Banks and Young could help immeasurably.

KEY LOSSES: Greg Hibbard was their leading winner with 15 victories. Bob Scanlan and Chuck McElroy were useful members of the relief corps.

KEY TO SEASON: Maybe Trebelhorn can find a way to spark a group that is out without significant talent.

CINCINNATI REDS: Injuries picked off the Reds one by one last season. But they apparently did not fill their quota, because it's starting again already. Rob Dibble, the once overpowering closer, opens the season on the disabled list with shoulder tendinitis.

Kevin Mitchell, Barry Larkin and Roberto Kelly are healthy, which bodes well for the offense. So might the presence at second base of Bret Boone, son of Bob. He hit 12 home runs in 76 games for Seattle.

KEY ADDITIONS: Erik Hanson, who always had more potential than success in Seattle, helps solidify the starting rotation. The Reds hope Tony Fernandez can adapt to third base after a career at short.

KEY LOSSES: Any team would miss the scrappy Chris Sabo.

KEY TO SEASON: They are capable of finishing first if everything works well, particularly the pitching, with Jose Rijo pointing the way.

HOUSTON ASTROS: Their everyday lineup is basically solid. One of their few questions is how well the rookie James Mouton will do

now that he has won the right-field job over Jesse Barfield. Mouton led the minors last year with 126 runs scored and has had 150 stolen bases in three minor league seasons.

But the biggest question deals with the turnaround of two pitchers, Doug Dramek and Greg Swindell, who combined had a 21-31 record after they signed as free agents.

KEY ADDITIONS: Mitch Williams will test the stomach of the new manager, Terry Collins, but there's no reason for him not to succeed.

KEY LOSSES: Eric Anthony won't be missed if Mouton performs. Mark Portugal could be missed in the starting rotation.

KEY TO SEASON: Collins learned under a master, Jim Leyland, and will use that knowledge to steer the Astros into contention.

PITTSBURGH PIRATES: For a team that lost most of the key ingredients of a three-time champion, the Pirates didn't play badly last season. That's as much a tribute to the managing of Jim Leyland as anything. But Leyland will need more help this season. Zane Smith, their No. 1 pitcher, is healthy after a two-season problem with his left shoulder, but Tim Wakefield's inability to get his knuckleball dancing this spring was a big disappointment. So was the stomach disorder that knocked out closer Alejandro Pena and will keep him out at the start of this season.

On the hitting front, the man to watch is Jeff King, who was slow to develop but became legitimate when he drove in 98 runs last season.

KEY ADDITION: The Pirates were out very active in the offseason. Brian Hunter was one of the few acquisitions, and he'll back up in the outfield and at first base.

KEY LOSSES: Wakefield's knuckleball.

KEY TO SEASON: The Pirates' young players have to be patient. Their time will come. Leyland knows.

ST. LOUIS CARDINALS: The Cardinals were underachievers last season. Like their new Central brethren, they have a chance to atone in a friendlier division.

Not everyone underachieved. Gregg Jefferies hit .342. Bernard Gilkey and Brian Jordan each hit better than .300 and Mark Whiten had the best offensive game ever, hitting 4 home runs and driving in 12 runs. In other words, the Cardinals have the weapons for a run at the top.

The pitching, on the other hand, could show a shortage. Donnovan Osborne, who had made progress, already is out for the season, and Rick Sutcliffe, a veteran free agent, hasn't shown much. Furthermore, they have no established closer.

KEY ADDITIONS: A Sutcliffe revival

would be invaluable, and Vicente Palacios could help in the bullpen.

KEY LOSSES: The real loss came late last season when they traded Lee Smith, the career save leader.

KEY TO SEASON: The four-man rotating outfield has to produce runs, and the pitching staff, particularly Perez or whoever closes, has to protect leads.

WEST DIVISION

COLORADO ROCKIES: Using some of the revenue deposited by their nearly 4.5 million fans, they signed a series of free agents who could help them improve.

Ellis Burks and Howard Johnson are in the outfield, Mike Harkey and Marvin Freeman are in the starting rotation and Walt Weiss is the shortstop, making him the first player to start for both expansion teams. Andres Galarraga may not hit a league-high 370 again, but the Rockies should offer a respectable offense.

The No. 1 aim for Manager Don Baylor is to shave a run off the team's 5.41 earned run average.

KEY ADDITIONS: If Johnson revives himself in the mile-high Denver air, he could produce some awesome statistics. His fellow free agents also will be critical to further improvement.

KEY LOSSES: The Rockies might kick themselves if Bruce Hurst stays healthy and wins for the Rangers.

KEY TO SEASON: The Rockies would be best off if they harbored no delusions of grandeur in the watered-down West. The Rocky Mountains are grand enough.

LOS ANGELES DODGERS: The effective Tommy Lasorda cites three reasons for a dramatic Dodgers improvement: the return of Darryl Strawberry, the arrival of Delino DeShields and the healthy arm of Todd Worrell. DeShields, however, is probably the only sure thing.

The Dodgers have another newcomer in Raul Mondesi, their rookie right fielder, who batted .291 in 42 games for them last season. He came to camp this spring and knocked Cory Snyder out of right.

But what Lasorda didn't mention was the need for the starting pitchers to attain winning records. Pedro Astacio, at 25 the youngest of the starters, was the only one with a winning record (14-9). Joining the staff is Chan Ho Park, a South Korean with no minor or major league experience.

KEY ADDITION: General Manager Fred Claire was stunned when the Expos offered DeShields, and he feared he had blown it when

he delayed saying yes for a couple of days while he checked to see what the catch was.

KEY LOSSES: Pedro Martinez, Ramon's little brother, may develop into a top-flight pitcher, but he was worth giving up for DeShields.

KEY TO SEASON: Clearly and simply, a revitalized Strawberry could carry the team for weeks at a time. But he can't do it playing 75 games in two seasons and hitting 10 home runs and driving in 37.

SAN DIEGO PADRES: They'll find it a long, lonely way back to respectability as they play in front of sparse crowds. Their fervent hope is to discover a couple more Phil Plantiers.

A disappointment in Boston, Plantier went west and rediscovered his stroke (34 home runs, 100 RBIs). Maybe Dave Staton, the rookie first baseman, can emulate Plantier.

The Padres need a similar development with the pitching staff, which doesn't have much after Andy Benes.

KEY ADDITION: Bip Roberts returns and could create some excitement in the empty ball park.

KEY LOSSES: They suffered them all last year.

KEY TO SEASON: They have to play interestingly enough to lure fans back to watch them and fund future talent.

SAN FRANCISCO GIANTS: With Barry Bonds established as their superstar and Will Clark slipping offensively, the Giants didn't need to re-sign Clark so they made him an offer they knew he would not accept and concentrated on retaining Matt Williams and Robby Thompson.

Clark's departure created a need for a new first baseman, and J.R. Phillips showed he wasn't ready, leaving the job to Todd Benzing. It's a stopgap measure the Giants hope doesn't stop them.

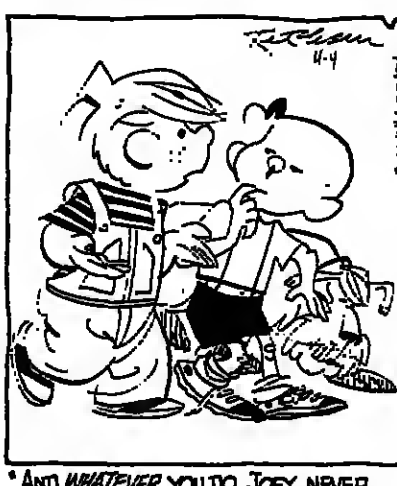
A lack of depth in their starting rotation stopped them last season so they signed Mark Portugal and made room for Salomon Torres, still considered a rookie despite his late-season work. Torres gained the unenviable distinction of being the losing pitcher in the only four games the Giants lost in their last 18.

KEY ADDITIONS: Portugal needs only to duplicate his 18-4 record with the Astros last season, his career best.

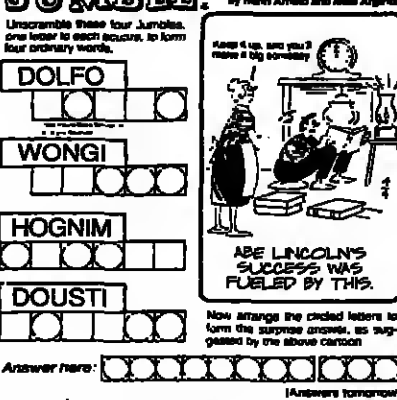
KEY LOSSES: Despite his decline, Clark was a key member of the team.

KEY TO SEASON: If Bonds can win his third consecutive most valuable player award and fourth in five years, the Giants will be on their way.

DENNIS THE MENACE



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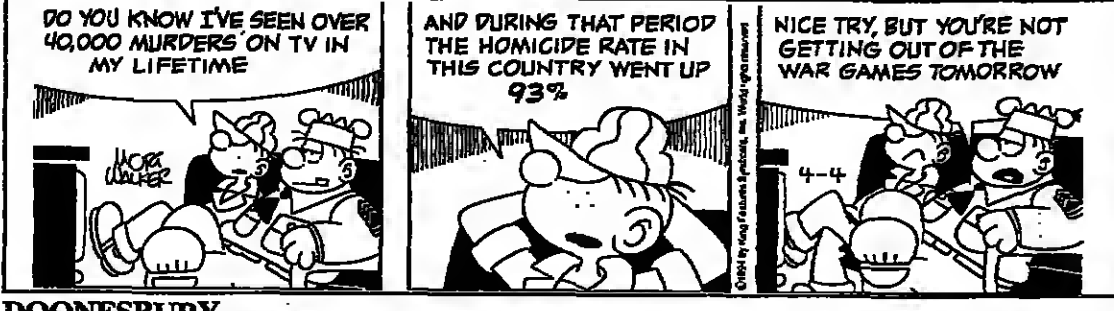
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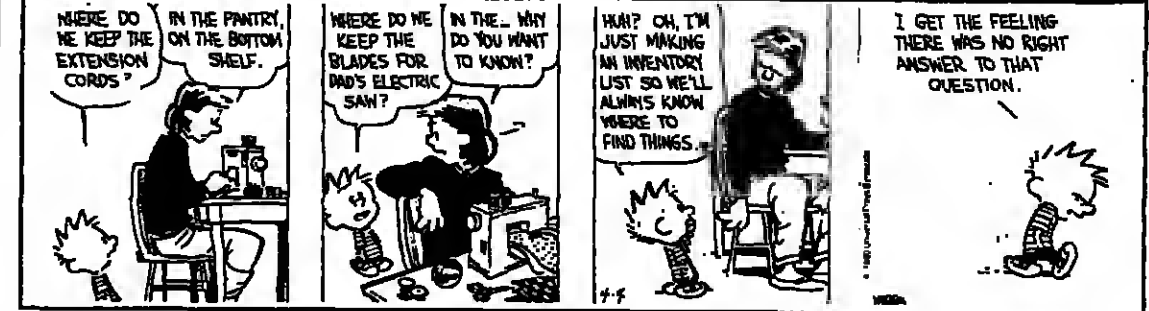
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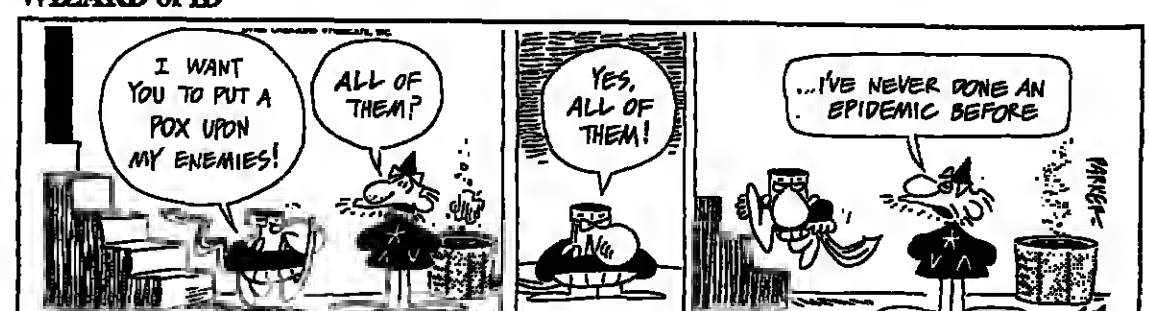
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WIZARD of ID



REX MORGAN



GARFIELD



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Writing in Basque: A Question of Scale

By Mark Kurlansky

VITORIA, Spain — Bernardo Atxaga writes in one of Europe's oldest and its ownest language. An enthusiastic and elfin man with thick half-circle eyebrows, he talks the way he writes — prolifically in strings of narrative that run in all directions.

When Atxaga was growing up, all teachers were pro-Franco and Basques were punished for speaking their own language. Euskera, Atxaga's teacher, whom he describes as "fascist but sensible," once made Bernardo hold out his fingertips to be beaten with a stick. But the teacher did not do this very often because he remembered his predecessor, who, after beating the fingertips of two husky Euskera-speaking boys, was tossed out the schoolhouse window. "We have a guerrilla tradition," explained Atxaga.

Atxaga has published seven novels, 20 children's books, poetry and song lyrics in his once forbidden native language. Translated into at least 14 other languages, he is the first author to gain broad international recognition from writing in the Basque language.

Almost nonexistent 20 years ago, books in Euskera today enjoy phenomenal sales for a language with only about 800,000 speakers. Atxaga can sell 30,000 copies of a novel. It was with his 1988 novel, "Obabakoak," that Atxaga became one of only 10 Euskera writers in history to be translated into other languages. After winning the Spanish National Literature Prize with its Spanish edition in 1989, "Obabakoak" was translated into 13 other languages and was critically praised in France, Britain and, last year, in the United States.

He is not a quaint local writer but a sophisticated man of the late 20th-century world, fluent in numerous cultures and mythologies. His poems allude to everything from Francis Picabia to Otis Redding. "Obabakoak" means people and things from Obaba, a fictitious mountain village in Guipuzcoa, very much like the village of the author's birth. Atxaga captures the charm and deficiencies of Basque village life. But the book is a contemporary series of stories that moves far from Obaba, to Hamburg, to mythical Arabia, to China. A writer's writer, his book is really about storytelling itself, and he is an inexhaustible spinner of yarns.

He lives in Vitoria, the small provincial city that was chosen in the early 1980s to be the seat of the Basque government because it was the Basque city most in need of an activity. He moved there be-

cause, unlike the other Basque cities, Vitoria still offers low-cost living and though he has managed to earn a living as a Basque writer, it is not an extravagant one.

Of being a Basque writer he says, "We have the advantage and disadvantage of scale." He recognizes that writing in Basque has a limited audience but on the other hand, "We can do many things." How many writers get to do novels, children's books and poetry, write for the local paper and do songs for popular rock groups?

Euskera, preserved in mountain villages, is one of only four European languages that do not belong to the Indo-European family. The origins of both the language and the people remain a mystery.

Although the first book in Euskera, a slim volume of poetry, was published in 1545, it has been largely an oral language. In all of history fewer than 25,000 books have been published in Euskera. And yet, in 1994 there are 965 titles scheduled for publication in Euskera, about a third of which are by Basque writers.

Reading in Basque is booming as never before and writers such as Atxaga have the opportunity to be pioneers in a new literature. This presents challenges. There are words in Euskera that are not in common usage and he worries that they interfere with the flow of narration. On the other hand, he finds his language rich in expression and poetic rhythm.

Atxaga was born José Izaz Garmendia in 1951 in Asteasu, a village that then had 1,000 people, tucked into the velvet green mountain slopes of Guipuzcoa, a remote 20 miles inland from the elegant resort city of San Sebastián. He grew up speaking Euskera at home with his schoolteacher mother, who had been expelled from the school system because she was Basque, and his carpenter father in an isolated community that waited for two Spanish newspapers to be delivered once a day by donkey.

Because Franco's ultra-nationalism violently repressed all expression of Basque identity, Euskera could not be spoken in public, and Atxaga never really knew who was a Basque speaker, especially outside his village. Now when he meets old friends and former schoolmates from his San Sebastián high school, they will greet him in Euskera and for the first time he realizes that they had that language in common all along.

In the late 1960s the silenced Basques began to resist again. Radical groups such as the armed militants, ETA, started up. "For years the Basque society had been underground like a potato," said Atxaga.



Bernardo Atxaga, a writer's writer and an inexhaustible spinner of yarns.

"And in the 1960s a new Basque country was born."

While studying economics at the university in Bilbao, for the first time he heard songs, ballads of political protest, in Euskera. At the age of 20 he saw his first novel in his mother tongue and he began meeting with underground groups, learning how to write in the language. Leftist intellectuals created a modern Basque language Euskera Batua, which unified the various dialects.

Today Basques have local government and their own police force. Road signs are in Euskera. Vitoria is also known as Gasteiz, San Sebastián is Donostia. There is a Basque newspaper in Euskera and a network of small local dailies throughout the region. Classics and best-sellers from Europe and America are regularly translated. Schools offer a choice of education in Spanish, Euskera or both. Much of the popular music is sung in Euskera and the old underground songs are piped into the local milk-run trains that wind their way from village to village below the jagged ridges in the green shepherd's valleys.

Since the success of "Obabakoak," Atxaga has been trying to work the advantages of two scales. He writes in Euskera and sends an early draft to his Spanish translator. By the time he has handed in his manuscript the Spanish version is on his desk waiting for rewrites. "It's very tiring," he said.

"Gizona Bere Bakardadetan" (The Man Alone) has already sold more than 6,500 copies in Euskera and is about to come out in Spanish. It is about former revolutionaries. Since most of his friends and family were Basque leftist militants, it is a subject close to his heart. "Felipe González 25 years ago was a revolutionary. People who walked in the streets with a gun 25 years ago don't believe in anything now. I have many friends who were in prison. It was a normal thing. Both of my brothers were in prison. Five of my 10 closest friends."

Mark Kurlansky's most recent book, on contemporary European Jewry, will be published this year.

Shreds of Substantive Information

By William Safire

WASHINGTON — "But did you guys have to put the word shredding on the front page," a White House aide complained to a benign pundit, "and even worse, in a headline?"

Shred — one of those Old English words meaning "scrap" or "fragment" that appeared a thousand years ago in Aelfric's Glossary — has been getting a bad name lately. It all has to do with a machine.

In the 1927 edition of the Chemical Engineering Catalog, we see advertised a "Universal Pulp and Shredding Machine" — intended for tearing apart any fibrous material.

The fibrous material that gave the modern shredding machine a bad name was paper, on which information was printed that could be considered evidence. Right from the start, the benign purpose of the machine was proclaimed in an advertisement in the July 1954 issue of American Business: "Shred All, the Waste Paper Shredder. Quickly shreds newspapers, magazines, waste paper... into uniform resistant strands ideal for packing purposes." But then came the darker side: "Especially adapted to shredding confidential records."

Lieutenant Colonel Oliver L. North, and his assistant Fawn Hall, made the machine famous in 1986. When North, now a candidate for the Republican nomination in the U.S. Senate race in Virginia, was concerned about a forthcoming visit by the FBI, he ordered the shredding of his Iran-contra documents. To the chagrin of all those interested in shredding technology, the machine jammed, causing embarrassment.

And now attention is being paid to the destruction of files — perhaps routine, perhaps not — at the Rose Law Firm in Little Rock, Arkansas. The word sends a shudder through the body politic; no wonder its headline use causes consternation in the White House.

If shredding is inflammatory, another word — *incidental* — is amelioratory, and has become a Clinton favorite. When asked about meetings with regulatory officials beyond the three that had caused a special counsel to call White House aides before a grand jury, the presi-

dent acknowledged them but termed them "incidental," not "substantive."

These words, found in legal phrases like *incidental damages* and *substantive due process*, are not antonyms.

Incidental means "occurring by chance or without plan"; its antonym is *intentional* or *planned*. *Substantive* means "firm" or "permanent" or "essential"; depending on the sense intended, its antonym may be *apparent* or *temporary* or *insignificant*.

In law, these adjectives are not mutually exclusive. "An accidental meeting," says Professor Jamin Raskin of the Washington College of Law at American University, "which is *incidental*, could end up in criminal activity, which is *substantive*."

What about the White House's use of *incidental*? "That suggests there was no unlawful intent. To say something is not *substantive* is to indicate that the conduct was not criminal."

How do these words work in terms of, say, obstruction of justice? "If an exchange that was not *substantive* took place, it means that what transpired did not rise to the level of obstructing justice," Raskin explains. "*Incidental* describes the exchange as something that was not deliberate." Thus, President Clinton's choice of *incidental* was a substantive decision.

You want to learn to write great stuff? Read great writers. The Op-Ed page is a place for polemics. The purpose of a piece in that medium is not so much to analyze or report as to arouse, inveigh and persuade.

The opening, or *lede*, must seize the reader's attention and draw him into the argument. One way is with a bald, outrageous or amusing declaration; a better way is with an irresistible anecdote. A third way, the most difficult to bring off, is with subtly poetic writing.

Safire, the author of "Humboldt's Gift" and "The Dean's December," who teaches literature at Boston University, tried his hand at an Op-Ed article in the New York Times recently. His points, which he made with the sort of grace that carries great force, were (1) that the views of a fictional character should not be

taken as the views of the novelist and (2) that what passes these days for "rage" is often manipulative and censorious, shutting down open discussion with charges of defamation or contempt for multiculturalism.

Consider his *lede*, written in the style of a poetic prayer: "Snow-bound, I watched the hizzard impounding parked cars at midnight. The veering of the snowflakes under the street lights made me think how nice it would be if we were totally covered by white drifts. Give us a week's moratorium, dear Lord, from the idiocies that burn on every side and let the pure snows cool these overheated minds and dilute the toxins which have infected our judgments. Grant us a breather, merciful God."

Impounding is what police do to illegally parked cars, but never before has a *hizzard* done it; that's the sort of original use of language that poets strive for. The subject of the second sentence, another -ing term to suggest a continuing action, is *veering*. Do snowflakes ordinarily veer? Most of us would use *slant*, but the writer is not most of us and prefers a word that implies a change of direction, which is what makes a blizzard different from a snowfall. He then lays the *pure snows* atop the idiocies that *burn*, thereby metaphorically to cool overheated minds; in the process of absorbing that heat, the snow melts and can then *dilute* the infecting toxins.

You don't just toss that off; you think about it, making sure your fresh word picture is internally consistent, as you conclude the *lede* with a with-it counterpoint to the traditional prayer form by asking God to grant a *breather*, a slang term for "respite" or "easy test between difficult tests."

Before anyone writes in to note that Bellow's "the toxins which" should be "the toxins that," because that has infected our judgments is a restrictive clause, please remember that you get Nobel Prizes for literature, not for grammar.

New York Times Service

INTERNATIONAL CLASSIFIED
Appears on Page 4

WEATHER

Europe		Today	High	Low	Tomorrow	High	Low	W
		High	Low	High	Low	High	Low	W
Algeria	22/17	12/5	21/7	12/3	21/7	12/3	21/7	12/3
Amsterdam	11/5	6/3	10/5	4/9	10/5	4/9	10/5	4/9
Antwerp	20/8	8/4	20/8	6/4	20/8	6/4	20/8	6/4
Athens	21/7	13/5	21/7	10/3	21/7	10/3	21/7	10/3
Birmingham	16/11	11/2	11/2	5/9	11/2	5/9	11/2	5/9
Bombay	18/15	7/4	20/8	6/4	20/8	6/4	20/8	6/4
Boston	12/3	5/1	11/2	1/9	11/2	1/9	11/2	1/9
Buenos Aires	13/5	2/5	11/2	1/1	11/2	1/1	11/2	1/1
Bussan	14/5	4/2	13/5	1/4	13/5	1/4	13/5	1/4
Copenhagen	9/4	3/2	11/2	1/1	11/2	1/1	11/2	1/1
Cuba Del Sol	21/7	14/5	21/7	10/3	21/7	10/3	21/7	10/3
Dublin	7/4	2/3	11/2	1/1	11/2	1/1	11/2	1/1
Edinburgh	7/4	2/3	11/2	1/1	11/2	1/1	11/2	1/1
Geneva	10/1	5/1	15/1	5/1	15/1	5/1	15/1	5/1
Hamburg	11/2	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Helsinki	6/3	0/2	7/4	1/1	7/4	1/1	7/4	1/1
Istanbul	19/6	11/2	21/7	9/4	21/7	9/4	21/7	9/4
Los Angeles	20/8	13/5	21/7	10/3	21/7	10/3	21/7	10/3
London	19/6	11/2	21/7	9/4	21/7	9/4	21/7	9/4
Madrid	13/5	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Moscow	18/15	8/4	20/8	6/4	20/8	6/4	20/8	6/4
Munich	16/11	11/2	11/2	5/9	11/2	5/9	11/2	5/9
New York	4/3	1/2	10/5	4/2	10/5	4/2	10/5	4/2
Osaka	8/4	1/2	9/4	1/1	9/4	1/1	9/4	1/1
Paris	15/5	12/3	11/2	1/1	11/2	1/1	11/2	1/1
Peking	14/5	9/4	14/5	4/2	14/5	4/2	14/5	4/2
Puerto Rico	12/3	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Rangoon	3/2	1/2	11/2	1/1	11/2	1/1	11/2	1/1
Rome	10/1	5/1	15/1	5/1	15/1	5/1	15/1	5/1
San Francisco	8/4	3/2	11/2	1/1	11/2	1/1	11/2	1/1
Shanghai	13/5	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Stockholm	9/4	2/3	11/2	1/1	11/2	1/1	11/2	1/1
Taipei	7/4	1/2	9/4	1/1	9/4	1/1	9/4	1/1
Tokyo	11/2	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Washington	11/2	5/1	11/2	1/1	11/2	1/1	11/2	1/1
Zurich	13/5	5/1	11/2	1/1	11/2	1/1	11/2	1/1

Forecast for Tuesday through Thursday, as provided by Accu-Weather.



North America
Chicago will be quite chilly for April Tuesday through Thursday and there could even be a little snow Wednesday. After sunrise Tuesday, there will be rain from Boston to Washington, D.C., Wednesday. Los Angeles will be rather sunny Tuesday through Thursday.

Europe
It will be blustery with strong winds and showers from the U.K., Norway and Sweden south into much of France and Germany. A Mediterranean storm will hit Greece and southern Italy with soaking rains and strong winds beginning Tuesday stormy weather shifts to the Adriatic Wednesday.

Asia
Showers will dampen southern Japan as well as Shanghai from time to time. Eastern Japan such as Tokyo will be mild and dry. Beijing and Seoul will have warm sun Tuesday; it may rain at midweek. Rates from Hong Kong and Taipei may be rainy midweek.

Middle East		Today	High	Low	Tomorrow	High	Low	W
		High	Low	High	Low	High	Low	W
Bahia	24/7	15/5	24/7	15/5	24/7	15/5	24/7	15/5
Bombay	30/8	15/5	30/8	15/5	30/8	15/5	30/8	15/5
Buenos Aires	24/7	8/4	24/7	8/4	24/7	8/4	24/7	8/4
Calcutta	22/7	12/3	22/7	12/3	22/7	12/3	22/7	12/3
Cairo	34/5	18/1	34/5	18/1	34/5	18/1	34/5	18/1
Delhi	31/8	17/5	31/8	17/5	31/8	17/5	31/8	17/5
Hong Kong	24/7	15/5	24/7	15/5	24/7	15/5	24/7	15/5
London	19/6	11/2	19/6	11/2	19/6	11/2	19/6	11/2
Los Angeles	20/8	13/5	20/8	13/5	20/8	13/5	20/8	13/5
Madrid	13/5	5/1	13/5	5/1	13/5	5/1	13/5	5/1
Moscow	18/15	8/4	18/15	8/4	18/15	8/4	18/15	8/4
Munich	16/11	11/2	16/11	11/2	16/11	11/2	16/11	11/2
New York	4/3	1/2	4/3	1/2	4/3	1/2	4/3	1/2
Osaka	8/4	1/2	8/4	1/2	8/4	1/2	8/4	1/2
Paris	15/5	12/3	15/5	12/3	15/5	12/3	15/5	12/3
Peking	14/5	9/4	14/5	9/4	14/5	9/4	14/5	9/4
Puerto Rico	12/3	5/1	12/3	5/1	12/3	5/1	12/3	5/1
Rangoon	3/2	1/2	3/2	1/2	3/2	1/2	3/2	1/2
Rome	10/1	5/1	10/1	5/1	10/1	5/1	10/1	5/1
San Francisco	8/4	3/2	8/4	3/2	8/4	3/2	8/4	3/2
Shanghai	13/5	5/1	13/5	5/1	13/5	5/1	13/5	5/1
Stockholm	9/4	2/3	9/4	2/3	9/4	2/3	9/4	2/3
Taipei	7/4	1/2	7/4	1/2	7/4	1/2	7/4	1/2
Tokyo	11/2	5/1	11/2	5/1	11/2	5/1	11/2	5/1
Washington	11/2	5/1	11/2	5/1	11/2	5/1	11/2	5/1
Zurich	13/5	5/1	13/5	5/1	13/5	5/1	13/5	5/1

Legend: p=partly cloudy, c=cloudy, sh=showers, th=thunderstorms, r=rain, dr=drizzle, s=snow, W=Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

Asia		Today		Tomorrow			
		High	Low	High	Low	W	W
Bangkok	34/29	28/7	34/29	28/7	34/29	12/6	11
Beijing	25/17	10/2	25/17	10/2	25/17	12/6	11
Bombay	30/21	15/5	30/21	15/5	30/21	12/6	11
Buenos Aires	24/7	8/4	24/7	8/4	24/7	12/6	11
Calcutta	22/7	18/6	22/7	18/6	22/7	12/6	11
Cairo	34/21	16/11	34/21	16/11	34/21	12/6	11
Delhi	31/8	22/7	31/8	22/7	31/8	12/6	11
Hong Kong	24/7	10/5	24/7	10/5	24/7	12/6	11
London	19/6	15/6	19/6	15/6	19/6	12/6	11
Los Angeles	20/8	15/6	20/8	15/6	20/8	12/6	11
Madrid	13/5	11/2	13/5	11/2	13/5	12/6	11
Moscow	18/15	8/4	18/15	8/4	18/15	12/6	11
Munich	16/11	11/2	16/11	11/2	16/11	12/6	11
New York	4/3	1/2	4/3	1/2	4/3	12/6	11
Osaka	8/4	1/2	8/4	1/2	8/4	12/6	11
Paris	15/5	12/3	15/5	12/3	15/5	12/6	11
Peking	14/5	9/4	14/5	9/4	14/5	12/6	11
Puerto Rico	12/3	5/1	12/3	5/1	12/3	12/6	11
Seoul	18/10	11/2	18/10	11/2	18/10	12/6	11
Singapore	27/19	12/3	27/19	12/3	27/19	12/6	11
Taipei	24/16	11/2	24/16	11/2	24/16	12/6	11
Tokyo	19/6	14/1	19/6	14/1	19/6	12/6	11
Africa							
Agadez	16/8	12/3	16/8	12/3	16/8	12/3	16/8
Algeria	21/11	15/2	21/11	15/2	21/11	15/2	21/11
Casablanca	22/7	12/3	22/7	12/3	22/7	12/3	22/7
Dakar	24/15	11/2	24/15	11/2	24/15	11/2	24/15
Harare	31/8	22/7	31/8	22/7	31/8	22/7	31/8
Johannesburg	27/19	12/3	27/19	12/3	27/19	12/3	27/19
Nairobi	27/18	12/3	27/18	12/3	27/18	12/3	27/18
Tunis	14/5	7/4	14/5	7/4	14/5	7/4	14/5
North America							
Anchorage	8/18	0/2	8/18	0/2	8/18	0/2	8/18
Alaska	29/11	9/4	29/11	9/4	29/11	9/4	29/11
Albuquerque	12/5	2/3	12/5	2/3	12/5	2/3	12/5
Boston	11/23	2/3	11/23	2/3	11/23	2/3	11/23
Chicago	12/5	2/3	12/5	2/3	12/5	2/3	12/5
Denver	11/23	3/2	11/23	3/2	11/23	3/2	11/23
Detroit	14/5	8/4	14/5	8/4	14/5	8/4	14/5
Honolulu	29/19	21/7	29/19	21/7	29/19	21/7	29/19
Houston	25/11	17/8	25/11	17/8	25/11	17/8	25/11
Indianapolis	14/5	8/4	14/5	8/4	14/5	8/4	14/5
Los Angeles	20/8	15/6	20/8	15/6	20/8	15/6	20/8
Miami	28/2	19/8	28/2	19/8	28/2	19/8	28/2
Minneapolis	14/5	8/4	14/5	8/4	14/5	8/4	14/5
Montreal	3/2	7/2	3/2	7/2	3/2	7/2	3/2
New Orleans	28/2	21/7	28/2	21/7	28/2	21/7	28/2
Ottawa	14/5	8/4	14/5	8/4	14/5	8/4	14/5
Phoenix	26/8	14/5	26/8	14/5	26/8	14/5	26/8
Portland	14/5	8/4	14/5	8/4	14/5	8/4	14/5
San Francisco	12/3	4/2	12/3	4/2	12/3	4/2	12/3
Seattle	12/3	4/2	12/3	4/2	12/3	4/2	12/3
Toronto	7/4	1/2	7/4	1/2	7/4	1/2	7/4